BRETT RESOURCES INC.
611 – 675 West Hastings Street
Vancouver, BC V6B 1N2
Tel: 604-488-0008
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2007	Notice of Annual General Meeting of Shareholders
ANNUAL	Management Information Circular
GENERAL	Audited Financial Statements and Annual MD&A
	Form of Proxy and Notes Thereto
MEETING	Return Card
Place:	Renaissance Hotel, Hong Kong Room 1133 West Hastings Street Vancouver, BC V6B 1N2
Time:	2:00 p.m.
Date:	Wednesday, February 14, 2007

BRETT RESOURCES INC.

Suite 611 – 675 West Hastings Street
Vancouver, British Columbia, V6B 1N2
Tel: (604) 488-0008 Fax: (604) 669-2543

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an Annual General and Meeting of the Shareholders of **BRETT RESOURCES INC.** (the "Corporation") will be held at the Renaissance Hotel, Hong Kong Room, located at 1133 West Hastings Street, Vancouver, British Columbia on February the 14th, 2007, at the hour of 2:00 p.m. (local time), to transact the usual business of an Annual General Meeting and for the following purposes:

1. To receive the audited consolidated financial statements of the Corporation for the fiscal year ended August 31, 2006 (with comparative statements relating to the preceding fiscal period) together with the report of the Auditors thereon;

2. To appoint the auditor for the ensuing year and to fix the remuneration to be paid to the auditor of the Corporation;

3. To set the number of directors at five (5) for the ensuing year;

4. To elect five directors for the ensuing year;

5. Approve and ratify the incentive share option plan as described in the accompanying information circular;

6. To transact such further or other business as may properly come before the meeting or any adjournment or adjournments thereof.

The Accompanying Information Circular provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this Notice. Copies of any documents to be considered, approved, ratified and adopted or authorized at the Meeting will be available for inspection at the head office of the Corporation at 611-675 West Hastings Street, Vancouver, British Columbia V6B 1N2, during normal business hours up to **February 14, 2007** being the date of the Meeting, and at the Meeting.

The directors of the Corporation fixed the close of business on **January 15, 2007** as the record date for determining holders of common shares who are entitled to vote at the Meeting.

A shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead. If you are unable to attend the Meeting in person, please complete, sign and date the enclosed Form of Proxy and return the same in the enclosed return envelope provided for that purpose within the time and to the location in accordance with the instructions set out in the Form of Proxy and Information Circular accompanying this Notice.

Please advise the Corporation of any change in your address.

DATED at Vancouver, British Columbia this 15th day of January 2007.

BY ORDER OF THE BOARD

"Thomas Hasek"

Thomas Hasek, President & CEO

President's Message

Brett Resources Inc. is pleased to report on the Company's activities over the past year. Key aspects included the ability to refinance the Company and renew our focus on gold projects of merit. Our long history of exploration in Latin America had been curtailed by financial constraints. Our decision to focus the Company on tin –tungsten projects in North America was the basis for the initial refinancing. Subsequent exploration work advanced these projects as planned.

The resurgence in the Junior precious metal exploration sector with the opportunity to complete financings occurred in conjunction with our acquisition to new projects of merit. The merger activity in the major gold companies permitted us to re-acquire the Santa Clara/ Cerro Bonito project in El Salvador and re-option the property to Kinross on significantly more favorable terms. We were also able to arrange to option from Kinross, the Hammond Reef gold project situated in Ontario. This project has become the Company's principal focus. Our long term exploration presence in Peru was also rewarded through the acquisition of a significant base metal project through the efforts of our long term consulting associates. This project has been optioned to Zincore Metals Inc. on attractive terms.

Hammond Reef

The acquisition of an option to earn a 60% interest in the Hammond Reef gold property near Atikokan, ON, from Kinross Gold Corp. in March of last year set your company on a new path with a substantial resource clearly aligned as a foundation for growth. Set in a region with over a century of mining history and hungry for development, the 2.6 million ounces of gold (non-compliant with N.I. 43-101) outlined by previous owners in less auspicious times represents a solid asset on which to build. Our cost is a staged one million share issuance along with a programmed US$5 million expenditure to vest our interest. The exploration commenced last summer with recovering, surveying, and extending a grid over past workings and their projection, mapping and sampling, and a diamond drill mobilized in the fall. A second drill is scheduled to start on the winter program within days, and confirmation and expansion of the resource is well under way.

Santa Clara / Cerro Bonito

Our principal project in El Salvador, which has yielded significant exploration success in the discovery and on-going development of low sulphidation, high grade gold-silver vein systems, has been optioned to Kinross, who are earning a 66.7% interest with a US$5 million expenditure commitment and a US$750,000 participation in a subsequent financing of the Company. The initial drilling of two of the principal targets has provided indication of increasing values with depth, and an abundance of drill targets for the next campaign planned to commence in April.

Cerro Condorini

The Peruvian silver-gold venture, which resulted in acquisition of the 1900 hectare Cerro Condorini property, about one hundred kilometres northwest of Lake Titicaca, upon closer examination turned out to have considerable zinc-silver potential. A short mapping and sampling evaluation project yielded sufficient encouragement that there was no difficulty in optioning the project to Zincore Metals Inc., a newly-listed company majority owned by the Southwestern Gold Group. Zincore is earning up to an 80% interest in the property with staged cash payments of US$75,000 and exploration expenditures of US$8 million.

Two financings, undertaken in July-August and the recent one in the December-January period have ensured that the company is well funded to take the Hammond Reef Project through to the vesting stage, and has adequate resources to capitalize on any further opportunities that may be encountered. Now in a position to exploit the intellectual resources developed over the past decade or more of activity in Latin America, the company will re-activate the Brett/Gridiron precious metal project generation incorporated in its original mandate.

We extend our thanks to company participants, including consultants, contractors, and suppliers, who have all contributed to our continuing success.

On behalf of the Board

"Thomas Hasek"

Thomas Hasek, President & CEO

BRETT RESOURCES INC.

INFORMATION CIRCULAR
FOR THE ANNUAL GENERAL MEETING OF SHAREHOLDERS
TO BE HELD ON WEDNESDAY, FEBRUARY 14, 2007
AT 2:00 PM (VANCOUVER TIME)

This information is given as of January 15, 2007 unless otherwise noted.

SOLICITATION OF PROXIES

This Information Circular (this "Circular") is furnished in connection with the solicitation of proxies by the management of **BRETT RESOURCES INC.** hereinafter referred to as (the "Corporation") to be voted at the Annual General Meeting (the "Meeting") of the shareholders of the Corporation, to be held at the time and place and for the purposes set forth in the accompanying Notice of Meeting and at any adjournment thereof (the "Meeting").

PERSONS OR COMPANIES MAKING THE SOLICITATION

The enclosed Instrument of Proxy is solicited by Management. Solicitations will be made by mail and possibly supplemented by telephone or other personal contact to be made without special compensation by regular officers and employees of the Corporation. The Corporation may reimburse shareholders' nominees or agents (including brokers holding shares on behalf of clients) for the cost incurred in obtaining authorization from their principals to execute the Instrument of Proxy. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Corporation. None of the directors of the Corporation have advised that they intend to oppose any action intended to be taken by Management as set forth in this Circular.

APPOINTMENT OF PROXYHOLDER

A duly completed form of proxy will constitute the person(s) named in the enclosed form of proxy as the proxyholder for the shareholder ("Registered Shareholder"). The persons whose names are printed in the enclosed form of proxy for the Meeting are officers or directors of the **Corporation** (the "Management Proxyholders").

A Registered Shareholder has the right to appoint a person other than a Management Proxyholder to represent the Registered Shareholder at the Meeting by striking out the names of the Management Proxyholders and by inserting the desired person's name in the blank space provided or by executing a proxy in a form similar to the enclosed form. A proxyholder need not be a Registered Shareholder.

VOTING BY PROXY

Common shares of the **Corporation** (the "Shares") represented by properly executed proxies in the accompanying form will be voted or withheld from voting on each respective matter in accordance with the instructions of the Registered Shareholder on any ballot that may be called for and if the Registered Shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly.

If no choice is specified and one of the Management Proxyholders is appointed by a Registered Shareholder as proxyholder, such person will vote in favour of each matter identified in the notice of Meeting and for the nominees of management for directors and auditor.

The enclosed form of proxy also confers discretionary authority upon the person named therein as proxyholder with respect to amendments or variations to matters identified in the notice of the Meeting and with respect to other matters which may properly come before the Meeting. At the date of this information circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting.

COMPLETION AND RETURN OF PROXY

Completed forms of proxy must be deposited at the office of the **Corporation's** registrar and transfer agent, Pacific Corporate Trust Company, 3rd Floor, 510 Burrard Street, Vancouver, British Columbia V6C 3B9, not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

NON-REGISTERED HOLDERS

Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Corporation are "non-registered" shareholders because the Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Shares. More particularly, a person is not a Registered Shareholder in respect of Shares which are held on behalf of that person (the

"Non-Registered Holder") but which are registered either: (a) in the name of an intermediary (an "Intermediary") that the Non-Registered Holder deals with in respect of the Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited ("CDS")) of which the Intermediary is a participant.

Non-Registered Holders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Corporation are referred to as "NOBO's". Those Non-Registered Holders who have objected to their Intermediary disclosing ownership information about themselves to the Corporation are referred to as "OBO's".

In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Corporation has distributed the notice of meeting, this information circular and the proxy (collectively, the "Meeting Materials") directly to the clearing agencies and intermediaries to the OBO's.

The Intermediaries (or their service companies) are responsible for forwarding the Meeting Materials to each OBO, unless the OBO has waived the right to receive them.

Meeting Materials sent to Non-Registered Holders who have not waived the right to receive Meeting Materials are accompanied by a request for voting instructions (a "VIF"). This form is instead of a proxy. By returning the VIF in accordance with the instructions noted on it, a Non-Registered Holder is able to instruct the Registered Shareholder how to vote on behalf of the Non-Registered Shareholder. VIF's, whether provided by the Corporation_or by an Intermediary, should be completed and returned in accordance with the specific instructions noted on the VIF.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Shares which they beneficially own. Should a Non-Registered Holder who receives a VIF wish to attend the Meeting or have someone else attend on his/her behalf, the Non-Registered Holder may request a legal proxy as set forth in the VIF, which will grant the Non-Registered Holder or his/her nominee the right to attend and vote at the Meeting. **Non-Registered Holders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered.**

REVOCABILITY OF PROXY

Any Registered Shareholder who has returned a proxy may revoke it at any time before it has been exercised. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing, including a proxy bearing a later date, executed by the Registered Shareholder or by his attorney authorized in writing or, if the Registered Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. The instrument revoking the proxy must be deposited at the registered office of the Corporation at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the chairman of the Meeting on the day of the Meeting. **Only Registered Shareholders have the right to revoke a proxy. Non-Registered Holders who wish to change their vote must, at least 7 days before the Meeting, arrange for the Corporation or their respective Intermediary, as the case may be, to revoke the proxy on their behalf.**

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than as disclosed elsewhere in this Information Circular, none of the directors or senior officers of the Corporation, no proposed nominee for election as a director of the Corporation, none of the persons who have been directors or senior officers of the Corporation since the commencement of the Corporation's last completed financial year and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, save and except for those matters pertaining to incentive stock options.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

As at the date hereof, there were 35,415,766 common shares without par value issued and outstanding, each share carrying the right to one vote. At a General Meeting of the Corporation, on a show of hands, every shareholder present in person shall have one vote and, on a poll, every shareholder shall have one vote for each share of which he is the holder.

Only shareholders of record on the close of business on the 15^{TH} day of January, 2007, who either personally attend the Meeting or who complete and deliver an Instrument of Proxy in the manner and subject to the provisions set out under the heading "Appointment and Revocation of Proxies" will be entitled to have his or her shares voted at the Meeting or any adjournment thereof.

To the knowledge of the directors and senior officers of the Corporation, no one shareholder owns, directly or indirectly, or exercises control or direction over, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Corporation.

MATTERS TO BE PRESENTED BEFORE THE MEETING

Presentation of Financial Statements

The audited financial statements of the Corporation for the year ended August 31, 2006, together with the report of the auditors thereon will be placed before the Meeting. A copy of the Corporation's 2007 Annual Report accompanies this Circular and additional copies may be obtained from the Corporation, at Suite 611, 675 West Hastings, Vancouver, British Columbia, V6B 1N2.

Appointment and Remuneration of Auditors

The directors of the Corporation recommend the re-appointment of Smythe Ratcliffe, Chartered Accountants, Vancouver, British Columbia, as auditors of the Corporation to hold office until the termination of the next annual meeting of the Corporation. Smythe Ratcliffe, Chartered Accountants have served as auditors of the Corporation since 2000. As in past years, it is proposed that the remuneration to be paid to the auditors be determined by the directors of the Corporation.

The persons named in the accompanying proxy, if not expressly directed to the contrary in such proxy, will vote the Common Shares in respect of which they have been appointed proxyholder for the re-appointment of Smythe Ratcliffe, Chartered Accounts, as auditors of the Corporation at a remuneration to be determined by the Board.

Election of Directors

All current directors of the Corporation will be deemed to retire at the Meeting and will be eligible for re-election. Each director elected at the Meeting will hold office until the next annual meeting of shareholders or until his/her successor is duly elected unless his/her office is earlier vacated in accordance with the by-laws of the Corporation. Management proposes to nominate, and the persons named in the accompanying form of proxy will vote for (in the absence of specifications or instructions to abstain from voting on the proxy) the election of the five persons whose names are set forth below. All proposed management nominees are ordinarily resident in Canada.

The following table and notes state the name of each person proposed to be nominated by management for election as a director, all other positions and offices with the Corporation, and any significant affiliate now held by his/her, if any of their respective principal occupation or employment during the period or periods of service as a director of the Corporation; and the approximate number of shares of the Corporation beneficially owned; directly or indirectly, or over which control or direction is exercised as of the date of this Circular:

Name and Municipality of Residence	Period of Service as Director	Principal Occupation and Position with the Corporation	Common shares of the Corporation beneficially owned, directly or indirectly, or controlled or directed
LAWRENCE J. NAGY [1] *Vancouver, British Columbia*	*Since October, 1993*	*Geologist; Director of the Corporation*	352,167
RONALD K. NETOLITZKY [1,2] *Victoria, British Columbia*	*Since December, 1993*	*Geologist; Director of the Corporation*	1,220,966
CARL HERING *Brandon, Manitoba*	*Since November, 1999*	*Geologist; Director of the Corporation*	650,500
J. RUPERT ALLAN [1,2] *Vancouver, British Columbia*	*Since October, 2005*	*Geologist; Director of the Corporation*	449,964
THOMAS HASEK [2] *Vancouver, British Columbia*	*Since October, 2005*	President, Chief Executive Officer and Director of the Corporation;	265,000

(1) Member of Audit Committee
(2) Member of Compensation, Corporate Governance and Nominating Committee

Except as otherwise described above, the nominees have had the principal occupation described above during the five preceding years or have previously disclosed their principal occupations during the five preceding years in a prior management information circular.

Although management does not contemplate that any of the nominees will be unavailable to stand for election or will decline to serve if elected, in the event of any vacancy among the nominees occasioned by an unexpected occurrence, the proxies given pursuant to this solicitation will be voted in favour of the remaining nominees and for such other substitute nominees as the Board of Directors may designate in such event, unless the shareholder has specified in the proxy that its shares are to be withheld from voting in the election of directors.

No proposed director is being elected under any arrangement or understanding between the proposed director and any other person or company except the directors and executive officers of the Corporation acting solely in such capacity.

Corporate Cease Trade Orders or Bankruptcies

No proposed director is, or, within the 10 years prior to the date of this Circular has been, a director or executive officer of any company including the Corporation, that, while that person was acting in that capacity,

(a) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
(b) as the subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
(c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

All of the proposed nominees are ordinarily resident in Canada.

Individual Bankruptcies

No director or proposed director of the Corporation has, within the ten years prior to the date of this Circular, become bankrupt or made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

Approval and Ratification of Stock Option Plan

The Board of Directors of the Company implemented a stock option plan (the "Plan") effective December 2002 and on February 17, 2004, the shareholders of the Company approved an amendment to the Plan to change it from a “fixed” stock option plan to a “rolling” stock option plan, which was approved by the TSX Venture Exchange. The number of common shares which may be issued pursuant to options previously granted and those granted under the Plan is a maximum of 10% of the issued and outstanding common shares at the time of the grant. In addition, the number of shares which may be reserved for issuance to any one individual may not exceed 5% of the issued shares on a yearly basis or 2% if the optionee is engaged in investor relations activities or is a consultant. Under TSX Venture Exchange policy, all such rolling stock option plans which set the number of common shares issuable under the plan at a maximum of 10% of the issued and outstanding common shares must be approved and ratified by shareholders on an annual basis.

Therefore, at the Meeting, shareholders will be asked to pass a resolution in the following form:

"UPON MOTION IT WAS RESOLVED that the Company approve and ratify, subject to regulatory approval, the Plan pursuant to which the directors may, from time to time, authorize the issuance of options to directors, officers, employees and consultants of the Company and its subsidiaries to a maximum of 10% of the issued and outstanding common shares at the time of the grant, with a maximum of 5% of the Company’s issued and outstanding shares being reserved to any one person on a yearly basis."
The purpose of the Plan is to allow the Company to grant options to directors, officers, employees and consultants, as additional compensation, and as an opportunity to participate in the success of the Company. The granting of such options is intended to align the interests of such persons with that of the shareholders. Options will be exercisable over periods of up to five years as determined by the Board of Directors of the Company and are required to have an exercise price no less

than the closing market price of the Company's shares prevailing on the day that the option is granted less a discount of up to 25%, the amount of the discount varying with market price in accordance with the policies of the Exchange. Pursuant to the Plan, the Board of Directors may from time to time authorize the issue of options to directors, officers employees and consultants of the Company and its subsidiaries or employees of companies providing management or consulting services to the Company or its subsidiaries. The Plan contains no vesting requirements, but permits the Board of Directors to specify a vesting schedule in its discretion. The Plan provides that if a change of control, as defined therein, occurs, all shares subject to option shall immediately become vested and may thereupon be exercised in whole or in part by the option holder.

Reference should be made to the full text of the Plan which will be made available at the offices of the Company, Suite 611, 675 West Hastings Street, Vancouver, BC, V6B 1N2, until the business day immediately preceding the date of the Meeting.

STATEMENT OF EXECUTIVE COMPENSATION

Summary Compensation Table

The following table sets forth a summary of the total compensation paid to, or earned by, those who were, at August 31, 2006, the Corporation's Named Executive Officers, being (i) the Corporation's chief executive officer ("CEO"); (ii) the Corporation's chief financial officer ("CFO"); (iii) each of the four other most highly compensated executive officers, other than the CEO and CFO, (whose total salary and bonus exceeds $150,000); and (v) any additional individuals whose total salary and bonus exceeded $150,000 during most recently completed financial year.

SUMMARY OF COMPENSATION TABLE

		Annual Compensation			Long Term Compensation			
					Awards		Payout	
Name of Principal and Position	Fiscal Year Ended Jun. 30	Salary ($)	Bonus ($)	Other Annual Compen-sation ($)	Securities Under Options Granted[1] (#)	Restricted Shares or Share Units ($)	LTIP[2] Payouts ($)	All Other Compen-sation ($)
Thomas Hasek CEO	2006	-	-	-	200,000	-	-	$52,500[5]
Robert Matthews CFO	2006	-	-	-	200,000	-	-	-
Carl Hering CEO [3]	2005 2004	-	-	-	- -	- -	- -	$68,119[5] $86,023[5]
Robert Evans CFO [4]	2005 2004	- -	- -	35,500 23,804	- -	- -	- -	- -

1. The sum of the number of securities under option granted during each fiscal year, on a non-cumulative basis.
2. An LTIP, Long Term Incentive Plan means "any plan providing compensation intended to serve as an incentive for performance to occur over a period longer than one fiscal year whether performance is measured by reference to financial performance of the Corporation or an affiliate or the price of the Corporation's shares but does not include option or stock appreciation rights plans or plans for compensation through restricted shares or units". The Corporation does not have any LTIP and, save as disclosed above, no remuneration payments were made, directly or indirectly, by the Corporation to its Named Executive Officer during the fiscal year ended June 30, 2006.
3. Carl Hering resigned as President and CEO in October 2005.
4. Robert Evans resigned as CFO in October 2005.
5. Compensation is paid to the management companies of the Named Executive Officers for management and geological consulting services provided to the Company.

Option and Stock Appreciation Rights (SARs) Granted to Named Executive Officers

A stock appreciation right ("SAR") is a right to receive a payment of cash or an issue or transfer of shares based wholly/or in part on changes in the trading price of the Corporation's Common Shares. No SARs were granted to, or exercised by, the Named Executive Officers or by any directors during the most recently completed financial year.

The following table sets forth information concerning grants of stock options or SARs to purchase or acquire securities of the Corporation during the financial year ended August 31, 2006 to the named, Named Executive Officers:

OPTION/SAR GRANTS DURING THE MOST RECENTLY COMPLETED FINANCIAL YEAR

Name	Securities Under Options/SARs Granted	% of Total Options/SARs Granted in Financial Year	Exercise or Base Price ($/Security)	Market Value of Securities Underlying Options/SARs on the Date of Grant ($/Security)	Expiry Date
Thomas Hasek President & CEO	200,000	20%	$0.25	$0.26	Oct. 31, 2010
Robert Matthews CFO	200,000	20%	$0.25	$0.26	Oct. 31, 2010

The following table sets forth information concerning exercise of stock options to purchase or acquire securities of the Corporation by the Named Executive Officers during the financial year ended August 31, 2006.

AGGREGATED OPTION/SAR EXERCISES DURING THE MOST RECENTLY COMPLETED FINANCIAL YEAR AND FINANCIAL YEAR-END OPTION/SAR VALUES

Name	Securities Acquired on Exercise (#)	Aggregate Value Realized ($)[1]	Unexercised Options/SARs at FY-End Unexercisable (#) Exercisable	Value of Unexercised in-the-Money[2] Options/SARs at FY-End Unexercisable ($) Exercisable
Thomas Hasek President & CEO	-	-	200,000	$100,000
Robert Matthews CFO	-	-	200,000	$100,000

1. "Aggregate Value Realized" is calculated by determining the difference between the market value of the securities underlying the options or SARs at the date of exercise and the exercise price of the options or SARs and is not necessarily indicative of the value (i.e. loss or gain) actually realized by the Named Executive Officer.

2. "In-the-Money Options" are those where the market value of the Corporation's underlying securities as at the most recent fiscal year-end exceeds the options exercise price. The closing market price of the Corporation's shares as at August 31, 2006 was $0.75.

Option and SAR Repricings

None of the incentive stock options granted to the Named Executive Officers were repriced during the Corporation's fiscal year.

Defined Benefit or Actuarial Plan Disclosure

The Corporation does not provide retirement or pension benefits for directors or executive officers.

Termination of Employment, Change in Responsibilities and Employment Contracts

The Corporation and its subsidiaries have not entered into any compensatory plan or arrangement in respect of compensation received or that may be received by any of the Named Executive Officers during the Corporation's most recently completed or current financial year to compensate such executive officers in the event of the termination of employment (resignation, retirement, change of control) or in the event of a change in responsibilities following a change in control, where in respect of the Named Executive Officers the value of such compensation exceeds $100,000, other than as set out herein.

Securities Authorized for Issuance under Equity Compensation Plan

The Corporation's Stock Option Plan described herein, has been approved by shareholders at the Annual General Meeting held on January 31, 2006 and is the only compensation plan under which equity securities of the Corporation are authorized for issuance.

The information in the following table is of the fiscal year ended August 31, 2006.

EQUITY COMPENSATION PLAN INFORMATION

Plan Category	Number of securities to be Issued upon exercise of Outstanding options	Weighted-average Exercise price of Outstanding options (CDN$)	Number of securities remaining available for future issuance under the Plan (excluding securities
Equity Compensation Plans approved by security holders	1,653,333	$0.29	1,140,593
Equity Compensation Plans not approved by security holders	N/A	N/A	N/A
Total	1,653,333	N/A	1,140,593

Note: For further information on Equity Compensation Plan Information incentive stock refer to Note 11. Capital Stock and Contributed Surplus, of the audited financial statements of the Corporation for the year ended August 31, 2006, together with the report of the auditors thereon. A copy of the Corporation's 2007 Annual Report accompanies this circular.

CORPORATE GOVERNANCE DISCLOSURE

National Instrument 58-101 – Disclosure of Corporate Governance Practices ("NI 58-101") requires each reporting issuer to disclose its corporate governance practices on an annual basis. The Company's approach to corporate governance is set forth below.

Board of Directors

Section 1.4 of Multilateral Instrument 52-110 – Audit Committees (MI 52-110") sets out the standard for director independence. Under MI 52-110, a director is independent if he has no direct or indirect material relationship with the Corporation. A material relationship is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment. MI 52-110 also sets out certain situations where a director will automatically be considered to have a material relationship with the Corporation.

Pursuant to the definition in Section 1.4 of MI 52-110, the independent members of the Board are Ronald Netolitzky, Carl Hering, Lawrence Nagy and Rupert Allan as of the fiscal year ended August 31, 2006. Thomas Hasek is not independent by virtue of his position as President and Chief Executive Officer of the Corporation. The Board is comprised of a majority of independent directors.

The directors are also directors of other reporting issuers as per the following table:

Name of Director	Name of other Reporting Issuer	Position with other Reporting Issuer
Lawrence D. Nagy	Solomon Resources Limited	President & CEO, Director
Ronald K. Netolitzky	American Bonanza Gold Mining Corp. Aurcana Corporation Canadian Gold Hunter Corp. Copper Canyon Resources Ltd. Eagle Plains Resources Ltd. Golden Band Resources Inc. Santoy Resources Ltd. Skeena Resources Limited Solomon Resources Ltd. Strongbow Exploration Inc.	Director Director Director Director Director President & CEO, Director President & CEO, Director Director Director Director
Carl Hering	Luna Gold Corp. Full Metal Minerals Ltd.	Director Director
Rupert Allan	Skeena Resources Ltd. Great Western Diamonds Corp.	President & CEO, Director Director
Thomas Hasek	Cassidy Gold Corp.	Director

On occasions where it is considered advisable, the Corporation's independent directors hold meetings at which non-independent directors and members of management are not in attendance.

Corporation has a Mandate setting out the duties and responsibilities of the Chairman which include acting as Chair at all meetings of Shareholders and the Board, unless absent, acting as spokesperson for the Board, reviewing the agenda for each meeting of the Board and to assist the Board in the discharge of its mandate and responsibilities.

During fiscal year ended August 31, 2006, the Board and its committees held the following number of meetings:

	Year ended Aug 31/06
Board of Directors	5
Audit Committee	4
Compensation Committee	1
Corporate Governance and Nominating Committee	1

The attendance of the directors at such meetings was as follows:

Director	Board Meetings Attended	Committee Meetings Attended
Lawrence D. Nagy	4	3
Ronald K. Netolitzky	5	5
Carl Hering	2	-
Rupert Allan	4	5
Thomas Hasek	5	1

Mandate of the Board

The Board has a mandate that acknowledges its stewardship responsibilities. The Board's principal responsibilities are to supervise and evaluate management, to oversee the conduct of the Corporation's business, to set policies appropriate for the business of the Corporation and to approve corporate strategies and goals. The Board is to carry out its mandate in a manner consistent with the fundamental objective of enhancing shareholder value.

In discharging its stewardship over the Corporation, the Board has undertaken the following specific duties and responsibilities" (i) satisfying itself as to the integrity of the CEO and other executive officers and that there is a culture of integrity throughout the Corporation; (ii) approving, supervising and providing guidance to management on the

Corporation's strategic planning process; (iii) identifying the principal risks of the Corporation's business and ensuring management's implementation and assessment of appropriate risk management systems; (iv) ensuring that the Corporation has highly qualified management and adequate and effective succession plans for senior management; (v) overseeing the Corporation's communication policy with its shareholders and with the public generally; (vi) assessing directly and through its Audit Committee, the integrity of the Corporation's internal control and management information systems; and (vii)providing for the independent functioning of the Board.

Orientation and Continuing Education

Board turnover is relatively rare and the Corporation does not currently have a formal orientation or continuing education program for new directors. As a result, the Board provides informal orientation for new directors.

The Board encourages directors and senior management to participate in appropriate professional and personal development activities, courses and programs, and supports management's commitment to the training and development of staff members. In addition, the President reviews with each new Board member (i) information and materials regarding the nature and operations of the Corporation's business, including the role of the Board, its committees and directors and (ii) the legal obligations of a director of the Corporation and any other matters required to be addressed under any orientation and education program required for new recruits to the Board. The Corporation's outside legal counsel also provides directors and senior officers of the Corporation with summary updates of any developments relating to the duties and responsibilities of directors and officers and to any other corporate governance matters. In addition, the Board will provide any further continuing education opportunities for all directors, where required, so that individual directors may maintain or enhance their skills and abilities as directors, as well as to ensure that their knowledge and understanding of the Corporation's business remains current.

Board members are encouraged to communicate with management, auditors and technical consultants to keep themselves current with industry trends and developments and changes in legislation with management's assistance and to attend related industry seminars and conventions. Board members have full access to the Corporation's records.

Ethical Business Conduct

The Corporation is committed to conducting its business in compliance with the law and the highest ethical standards.

All directors, officers and employees have an obligation to act in the best interest of the Corporation. Any situation that presents an actual or potential conflict between a director, officer or employee's personal interests and the interests of the Corporation are to be reported to the Chair of the Corporation's Audit Committee.

Board Committees

To assist the Board in its responsibilities, the Board has established two standing committees: the Audit Committee, the Compensation, Corporate Governance and Nominating Committee.

The Audit Committee is composed of three independent directors, Larry Nagy, Chairman of the Audit Committee, Ronald K. Netolitzky and Rupert Allan, all of whom are financially literate for the purposes of MI 52-110.

Each member of the Audit Committee has extensive experience in dealing with financial statements, accounting issues, internal control and other related matters relating to public resource-based companies.

The Audit Committee oversees the accounting and financial reporting processes of the Corporation and its subsidiaries and all audits and external reviews of the financial statements of the Corporation, on behalf of the Board, and has general responsibility for oversight of internal controls, and accounting and auditing activities of the Corporation and its subsidiaries. All auditing services and non-audit services to be provided to the Corporation by the Corporation's auditors are pre-approved by the Audit Committee. Since the commencement of the Corporation's Issuer's most recently completed financial year, there has not been a recommendation of the audit committee to nominate or compensate an external auditor that was not adopted by the board of directors. The Committee reviews, on a continuous basis, any reports prepared by the Corporation's external auditors relating to the Corporation's accounting policies and procedures, as well as internal control procedures and systems. The Committee is also responsible for examining all financial information, including annual and quarterly financial statements, prepared for securities commissions and similar regulatory bodies prior to filing or delivery of the same. The Audit Committee recommends to the Board the firm of independent auditors to be nominated for appointment by the shareholders. The Audit Committee meets a minimum of four times a year.

The following table discloses the fees billed to the Corporation by its external auditor during the last two fiscal years as follows:

Financial Year Ending	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
2005	$9,250	-	$2,750	-
2004	$6,750	-	$2,000	-

The Compensation, Corporate Governance and Nominating Committee is comprised of two independent directors, Ronald K. Netolitzky and Rupert Allan, both of whom are independent directors within the meaning of the Governance Guidelines and one non-independent member, Thomas Hasek, who abstains from votes or discussions where there is a conflict of interest. The Compensation, Corporate Governance and Nominating Committee evaluates the CEO's performance and establishes executive and senior officer compensation, determines the general compensation structure, policies and programs of the Corporation, including the extent and level of participation in incentive programs in conjunction with the Board, and delivers an annual report to shareholders on executive compensation. The Compensation, Corporate Governance and Nominating Committee has also been mandated to review the adequacy and form of the compensation of directors and to ensure that such compensation realistically reflects the responsibilities and risk involved in being an effective director.

The Corporation's compensation structure is designed to reward performance and to be competitive with the compensation arrangements of other Canadian resource companies of similar size and scope of operations. The board considers a variety of factors when determining both compensation policies and programs and individual compensation levels. These factors include the long-term interests of the Corporation and its shareholders, overall financial and operating performance of the Corporation and the board's assessment of each officer's individual performance, contribution towards meeting corporate objectives, responsibilities, length of service and levels of compensation provided by industry competitors.

Compensation for executive officers is composed primarily of two components; namely, base amount per month, per day or per hour and participation in the Corporation's stock option plan. The board does not anticipate any significant changes to the compensation paid to executive officers during the fiscal year ending August 31, 2007. The second component of the executive officers' compensation is stock options. The board, subject to approval by regulatory authorities, may from time to time grant stock options to officers under the Corporation's stock option plan. Grants of stock options are intended to emphasize the executive officers' commitment to the growth of the Corporation. The Corporation places strong reliance on stock options in terms of the total compensation of its executive officers in keeping with overall compensation trends in the Canadian industry and in order to conserve the Corporation's cash.

The Compensation, Corporate Governance and Nominating Committee is responsible for developing and monitoring the Corporation's approach to corporate governance issues. The Committee oversees the effective functioning of the Board, oversees the relationship between the Board and management, ensures that the Board can function independently of management at such times as is desirable or necessary, identifies individuals qualified to become new Board members and recommends to the Board the director nominees at each annual meeting of shareholders and, with the assistance of the Board and where necessary, develops an orientation and education program for new recruits to the Board. In identifying possible nominees to the Board, the Compensation, Corporate Governance and Nominating Committee considers the competencies and skills necessary for the Board as a whole, the skills of existing directors and the competencies and skills each new nominee will bring to the Board, as well as whether or not each nominee will devote sufficient time and resources to the Board. The Compensation, Corporate Governance and Nominating Committee also annually reviews and makes recommendations to the Board with respect to (i) the size and composition of the Board; (ii) the appropriateness of the committees of the Board; and (iii) the effectiveness and contribution of the Board, its committees and individual directors, having reference to their respective mandates, charters and position descriptions. In addition, the Committee delivers an annual statement on corporate governance to the Board for inclusion in either the Corporation's annual report or management proxy circular. The Compensation, Corporate Governance and Nominating Committee meets at least annually.

Position Descriptions of Management and the Board

The Board, together with the Corporation's Chief Executive Officer, has developed position descriptions for the Chair of the Board and the President and Chief Executive Officer, including the definition of the limits to management's responsibilities. Under these position descriptions, the Board has delegated the day-to-day management of the business and affairs of the Corporation to executive officers of the Corporation, subject to the extent and limits defined by the Board. Generally, operations in the ordinary course or that are not in the ordinary course and do not exceed material levels of expenditures or commitment on the part of the Corporation have been delegated to management. Decisions relating to matters that are not in the ordinary course and that involve material expenditures or commitments on the part of the Corporation generally require prior approval of the Board. As the Board has plenary power, any responsibility that is not delegated to management or a Board committee remains with the Board. The Chief Executive Officer reviews corporate objectives with the Board on a quarterly basis. In this manner, the Board approves or develops the corporate objectives that the Chief Executive Officer is responsible for meeting.

Shareholder Communications

The Board has put structures in place to ensure effective communication between the Corporation, its shareholders and the public. The Corporation has established an investor relations and corporate development procedures where shareholder concerns are dealt with on an individual basis, usually by providing requested information. Significant shareholder concerns are brought to the attention of management or the Board. Shareholders are informed of developments in the Corporation by the issuance of timely press releases which are concurrently posted to the Corporation's website and are available on the

Canadian System for Electronic Document Analysis and Retrieval (SEDAR) which may be accessed at www.sedar.com and on the Corporation's website at www.brettresources.com.

Under its mandate, the Board is required to oversee the Corporation's communications policy. The Board monitors the policies and procedures that are in place to provide for effective communication by the Corporation with its shareholders and with the public generally, including effective means to enable shareholders to communicate with senior management and the Board. The Board also monitors the policies and procedures that are in place to ensure a strong, cohesive, sustained and positive image of the Corporation with shareholders, governments and the public generally.

REMUNERATION OF DIRECTORS

Standard Compensation Arrangements

There are no standard arrangements in place pursuant to which directors are compensated by the Corporation for their services in their capacity as directors, nor are any amounts paid to directors for committee participation or special assignments. The Corporation reimburses all expenses incurred by directors in respect of their duties.

Other Arrangements

None of the directors of the Corporation were compensated in their capacity as director by the Corporation during the most recently completed financial year pursuant to any other arrangement or in lieu of any standard arrangement.

To encourage directors to align their interests with shareholders, directors are granted incentive stock options pursuant to the Corporation's Stock Option Plan, from time to time.

The following table sets forth the financial year-end value of unexercised options held by directors on an aggregated basis:

Name	Securities Acquired On Exercise	Aggregate Value Realized ($)	Unexercised Options at Fiscal Year-end (#)	Value of Unexercised In-the-Money Options At Fiscal Year-End ($)(1)
Ronald K. Netolitzky	100,000	$31,667	50,000(3) 50,000(4)	$47,500
Carl Hering	46,667	$14,667	103,333(2) 150,000(3)	$124,333
Larry Nagy	Nil	-	16,667(2) 50,000(3) 133,333(4)	$94,167
Thomas Hasek	Nil	-	200,000(3)	$100,000
Rupert Allan	Nil	-	200,000(3)	$100,000

(1) In-the-Money Options are those where the market value of the underlying securities as at the most recent fiscal year end exceeds the option exercise price. The closing market price of the Corporation's shares as at August 31, 2006 (i.e. fiscal year end) was CDN $0.75 per share.
(2) Exercisable at a price of CDN$0.20 per share.
(3) Exercisable at a price of CDN$0.25 per share.
(4) Exercisable at a price of CDN$0.30 per share.

Indebtedness of Directors and Executive Officers

None of the directors or executive officers, of the Corporation, proposed nominees for directors, or associates or affiliates of said persons, have been indebted to the Corporation at any time since the beginning of the last completed financial year of the Corporation.

MANAGEMENT ARRANGEMENTS

Management functions of the Corporation and its subsidiaries are performed by directors, executive officers or senior officers of the Corporation and not, to any substantial degree, by any other person with whom the Corporation has contracted.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

None of the directors or senior officers of the Corporation or any proposed nominee or management nominee, controlling shareholder or associate or affiliate of any of the foregoing persons has any material interest in any transaction since the beginning of the Corporation's last completed financial year or in any proposed transaction that has materially affected or will materially affect the Corporation or any of its affiliates, other than the election of directors and the approval and ratification of incentive stock options granted to insiders of the Corporation.

INTEREST OF INSIDERS IN MATERIAL TRANSACTIONS

During the fiscal year ended August 31, 2006, none of the insiders of the Corporation nor any proposed nominee for election as director, nor any associate or affiliate of said persons, has had any material interest, direct or indirect, in any transaction, which has materially affected or would materially affect the Corporation or any of its subsidiaries.

OTHER MATTERS

Management knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting, the shares represented by the Instrument of Proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting by proxy.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available under the Corporation's profile on the SEDAR website at www.sedar.com and on the Corporation's website at www.brettresources.com. Financial information relating to Brett Resources Inc. is provided in the Corporation's comparative financial statements and management discussion and analysis ("MD&A") for the fiscal year ended August 31, 2006 and Shareholders may contact the Corporation to request copies of the financial statements and MD&A by: (i) mail to Suite 611, 675 West Hastings Street, Vancouver, BC, V6B 1N2; or (ii) fax to (604) 669-2543.

APPROVAL

The content of this Information Circular has been approved by the Corporation's board of directors. The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

DATED at Vancouver, B.C., the 15th day of January, 2007.

BY ORDER OF THE BOARD

"Thomas Hasek"
President

CHARTER FOR THE AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS (THE "BOARD") OF
BRETT RESOURCES INC.
(THE "CORPORATION")

(Accepted by the Board on October 31, 2005)

Mandate

The primary function of the audit committee (the "Committee") is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Corporation to regulatory authorities and shareholders, the Corporation's systems of internal controls regarding finance and accounting and the Corporation's auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Corporation's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to (i) serve as an independent and objective party to monitor the Corporation's financial reporting and internal control system and review the Corporation's financial statements; (ii) review and appraise the performance of the Corporation's external auditors; and (iii) provide an open avenue of communication among the Corporation's auditors, financial and senior management and the board of directors.

Composition

The Committee shall be comprised of three directors as determined by the board of directors, the majority of whom shall be free from any relationship that, in the opinion of the board of directors, would interfere with the exercise of his or her independent judgment as a member of the Committee.

At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Corporation's Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Corporation's financial statements.

The board of directors at its first meeting following the annual shareholders' meeting shall elect the members of the Committee. Unless a Chair is elected by the full board of directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

Meetings

The Committee shall meet at least four times annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

Responsibilities and Duties

To fulfil its responsibilities and duties, the Committee shall:

1. Assist the Board of Directors in fulfilling its fiduciary responsibilities relating to the Corporation's accounting and reporting practices and the integrity of the Corporation's internal accounting controls and management information systems;

2. Manage the relationship with the auditor with respect to:

    a) recommending nomination and compensation of the auditor;
    b) having the auditor report directly to the Audit Committee;
    c) overseeing the work of the auditor;
    d) pre-approving non-audit services.

3. Review with the auditors and management of the Committee

    a) any audited financial statement of the Committee, including any such statement that is to be presented to an annual general meeting or provided to shareholders or filed with regulatory authorities and including any audited financial statement contained in a prospectus, registration statement or other similar document;
    b) the financial disclosure in each Annual Report and Management Discussion and Analysis of the Corporation which accompanies such audited financial statement and in each such filing, prospectus, registration statement or other similar document;

4. Review with management of the Corporation:

    a) any unaudited financial statement of the Corporation, including any such statement that is to be presented to an annual general meeting or provided to shareholders or filed with regulatory authorities and including any unaudited financial statement contained in a prospectus, registration statement, Quarterly Report or other similar document;
    b) the financial disclosure in each Quarterly Report and when applicable, Management Discussion and Analysis of the Corporation's accompanying such unaudited financial statement and in each such filing, prospectus, registration statement or other similar document which accompanies such unaudited financial statement; and
    c) the Corporation's compliance with legal and regulatory requirements.

5. Otherwise review as required and report to the Board of Directors with respect to the adequacy of internal accounting and audit procedures and the adequacy of the Corporation's management information systems;

6. Otherwise ensure that no restrictions are placed by management on the scope of the auditor's review and examination of the Corporation's accounts;

7. Ensure the independence of and recommend to the Board of Directors the firm of independent auditors to be nominated for appointment by the shareholders at the next annual general meeting;

8. Ensure that methods are in place to allow any director, officer or employee to bring concerns to the attention of the Audit Committee and that those who do so are provided protection from any retaliatory action whatsoever. Mr. Robert Ingram, Chairman of the Audit Committee, has been designated as the person to whom such concerns should be addressed and is responsible for ensuring that such concerns are handled promptly and appropriately;

9. Review on an annual basis the adequacy of this Mandate and Charter and revise as necessary with the approval of the Board of Directors; and

10. Meet regularly at such times and places, engage such advisors at the expense of the Corporation and undertake such interviews and inquiries as the Committee sees fit for the purpose of carrying out this Mandate and Charter

BRETT RESOURCES INC.

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2006

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The consolidated financial statements of Brett Resources Inc. are the responsibility of the Company's management and are prepared in accordance with accounting principles generally accepted in Canada the statements reflect management's best estimates and judgment based on information currently available.

Management has developed and maintains a system of internal controls to ensure that the Company's assets are safeguarded, transactions are authorized and properly recorded, and financial information is reliable.

The Board of Directors is responsible for ensuring management fulfills its responsibilities for financial reporting and internal controls through an audit committee, which is comprised primarily of non-management directors. The Audit Committee reviews the results of the audit and the annual consolidated financial statements prior to their submission to the Board of Directors for approval.

The consolidated financial statements have been audited by Smythe Ratcliffe LLP, Chartered Accountants, and their report outlines the scope of their examination and gives their opinion on the consolidated financial statements.

"Thomas Hasek"	*"Ronald K. Netolitzky"*
Thomas Hasek President and CEO	Ronald K. Netolitzky Director

Vancouver, British Columbia
December 6, 2006

Smythe Ratcliffe LLP

7th Floor, Marine Building

355 Burrard Street

Vancouver, BC V6C 2G8

SmytheRatcliffe
CHARTERED ACCOUNTANTS

fax: 604.688.4675

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AUDITORS' REPORT

TO THE SHAREHOLDERS OF BRETT RESOURCES INC.

We have audited the consolidated balance sheets of Brett Resources Inc. as at August 31, 2006 and 2005 and the consolidated statements of operations and deficit and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at August 31, 2006 and 2005 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

"Smythe Ratcliffe LLP" (signed)

Chartered Accountants

Vancouver, British Columbia
December 6, 2006

BRETT RESOURCES INC.
CONSOLIDATED BALANCE SHEETS

	August 31, 2006	August 31, 2005
Assets		
Current		
Cash	$ 3,540,110	$ 322,260
Accounts receivable	212,345	523
Prepaid expenses and deposits	45,551	1,000
	3,798,006	323,783
Mineral property interests (note 5)	1,504,531	100,002
Equipment (note 4)	19,747	-
	$ 5,322,284	$ 423,785
Liabilities		
Current		
Accounts payable and accrued liabilities	$ 616,136	$ 28,272
Shareholders' Equity		
Capital stock (note 6)	15,073,394	10,624,910
Share subscription receivable (notes 6 and 7)	-	(21,000)
Contributed surplus (note 6)	264,565	91,550
Deficit	(10,636,811)	(10,299,947)
	4,706,148	395,513
	$ 5,322,284	$ 423,785

Nature and continuance of operations (note 1)
Subsequent events (note 9)

On behalf of the Board:

"Ronald K. Netolitzky"
……………..........…... Director
Ronald K. Netolitzky

"Thomas Hasek"
……………..........…... Director
Thomas Hasek

The accompanying notes are an integral part of these consolidated financial statements.

BRETT RESOURCES INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT
YEARS ENDED

	August 31, 2006	August 31, 2005
Expenses		
Stock-based compensation	$ 182,473	$ -
Management and consulting fees	109,342	30,000
Property evaluations	36,171	257,516
Professional fees	33,443	89,845
Office and miscellaneous	25,882	10,028
Listing and transfer agent fees	22,259	13,970
Investor relations	17,095	-
Rent and administration	15,700	10,500
Shareholder communications	6,445	10,152
Overhead recovery	(26,298)	-
Amortization	2,259	680
Loss before other items and future income tax recovery	(424,771)	(422,691)
Other items		
Interest income	22,978	6,138
Gain on foreign exchange	4,090	-
Write-down of mineral property interests	-	(237,610)
Property option payments received in excess of carrying value	-	82,612
	27,068	(148,860)
Loss before future income tax recovery	(397,703)	(571,551)
Future income tax recovery (note 10)	60,839	-
Net loss for year	(336,864)	(571,551)
Deficit, beginning of year	(10,299,947)	(9,728,396)
Deficit, end of year	$ (10,636,811)	$ (10,299,947)
Loss per share	$ (0.02)	$ (0.03)
Weighted average number of common shares outstanding	21,417,942	18,661,475

The accompanying notes are an integral part of these consolidated financial statements.

BRETT RESOURCES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED

	August 31, 2006	August 31, 2005
Operating activities		
Net loss	$ (336,864)	$ (571,551)
Items not involving cash		
Stock-based compensation	182,473	-
Amortization	2,259	680
Future income tax recovery	(60,839)	-
Write-down of mineral property interests	-	237,610
Property option payments received in excess of carrying value	-	(82,612)
Office equipment written-off	-	3,856
Changes in non-cash working capital		
Accounts receivable	(211,822)	15,992
Prepaid expenses and deposits	(44,551)	-
Accounts payable and accrued liabilities	587,864	(27,380)
Cash provided by (used in) operating activities	118,520	(423,405)
Financing Activities		
Proceeds on issuance of capital stock	4,457,267	-
Share issue costs	(138,652)	-
Cash provided by financing activities	4,318,615	-
Investing activities		
Acquisition of mineral property interest	(61,759)	-
Expenditures on mineral property interests	(1,256,633)	(25,361)
Property option payments received	56,950	182,611
Cancellation payments received	64,163	
Purchase of equipment	(22,006)	-
Cash provided by (used in) investing activities	(1,219,285)	157,250
Increase (decrease) in cash during year	3,217,850	(266,155)
Cash beginning of year	322,260	588,415
Cash end of year	$ 3,540,110	$ 322,260
Non-cash items		
Issuance of shares for mineral property interests	$ 207,250	$ -

The accompanying notes are an integral part of these consolidated financial statements.

1. NATURE AND CONTINUANCE OF OPERATIONS

Brett Resources Inc. (the "Company") was incorporated under the Company Act of British Columbia on September 11, 1986. The Company's principal business activity is the exploration for and development of mineral properties in Latin America, Canada and Alaska.

The Company's consolidated financial statements have been presented on the basis that it will continue as a going-concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent on continued financial support from its shareholders and other related parties, the ability of the Company to raise equity financing, and the attainment of profitable operations, external financings and further share issuances to meet the Company's liabilities as they become payable. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary, should the Company be unable to continue as a going concern.

	August 31 2006	August 31 2005
Working capital	**$ 3,181,870**	$ 295,511
Deficit	**(10,636,811)**	(10,299,947)

2. SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

These financial statements include the accounts of the Company and its wholly-owned integrated subsidiaries, Gridiron Exploration Ltd. (British Columbia), Compania Minera Magallanes S.A. (Peru), Brett Resources El Salvador, S.A. de C.V. (formerly Exploracion Lucero S.A. de C.V.) (El Salvador) and Brett Alaska Resources Inc. All significant intercompany balances and transactions are eliminated.

Mineral property interests

All costs related to the acquisition, exploration and development of mineral property interests are capitalized on a property by property basis. If economically recoverable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets and amortized using the unit-of-production method. When a property is abandoned, all related costs are written-off to operations. If after management review it is determined that the carrying amount of a mineral property interest is impaired, that property is written-down to its estimated fair value. A mineral property interest is reviewed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

The amounts shown for mineral property interests do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

Equipment

Equipment is recorded at cost less accumulated amortization. Amortization is recorded on a declining balance basis at the following annual rates:

Computer equipment	30%
Field equipment	20%

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Foreign currency translation

Amounts recorded in foreign currency are translated into Canadian dollars as follows:

a. Monetary assets and liabilities, at the rate of exchange in effect as at the balance sheet date;

b. Non-monetary assets and liabilities, at the exchange rates prevailing at the time of the acquisition of the assets or assumption of the liabilities; and

c. Revenues and expenses (excluding amortization, which is at the same rate as the related asset), at the average rate of exchange for the year.

Gains and losses arising from this translation of foreign currency are included in the determination of net loss for the year.

Loss per share

Loss per share computations are based on the weighted average number of common shares outstanding during the year. Diluted loss per share has not been presented as the effects of outstanding stock options and warrants are anti-dilutive.

Asset retirement obligations

An asset retirement obligation is a legal obligation associated with the retirement of tangible long-lived assets the Company is required to settle. This would include obligations related to future removal of property and equipment, and site restoration costs. The Company recognizes the fair value of a liability for an asset retirement obligation in the year in which it is incurred when a reasonable estimate of fair value can be made. The carrying amount of the related long-lived asset is increased by the same amount as the liability. The adoption of this accounting policy has not affected the Company's financial statements.

Income taxes

The Company uses the asset and liability method of accounting for income taxes. Under this method of tax allocation, future income tax assets and liabilities are determined based on differences between the financial statement carrying values and their respective income tax basis (temporary differences). Future income tax assets and liabilities are measured using the tax rates expected to be in effect when the temporary differences are likely to reverse. The effect on future income tax assets and liabilities of a change in tax rates is included in operations in the period in which the change in tax rates is enacted or substantially assured. The amount of future income tax assets recognized is limited to the amount of the benefit that is more likely than not to be realized.

Flow-through common shares

The Company adopted the CICA accounting pronouncement EIC-146, relating to flow-through shares, for all flow-through share agreements dated after March 18, 2004. Under the terms of Canadian flow-through share legislation, the tax attributes of qualifying expenditures are renounced to the subscribers. The tax impact to the Company of the renouncement is recorded on the date that the Company renounces the tax deductions, through a decrease in share capital and the recognition of a future tax liability.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and would impact future results of operations and cash flows.

Stock-based compensation

The Company accounts for stock options granted to directors, employees and consultants using the fair value method. The fair value of each option granted is estimated on the date of grant using the Black-Scholes option pricing model and charged to operations over the vesting period with a corresponding increase in contributed surplus. Upon exercise of the stock options, consideration received together with the amount previously recognized in contributed surplus is recorded as an increase to capital stock.

3. FINANCIAL INSTRUMENTS

Fair value

The carrying values of cash, accounts receivable, and accounts payable and accrued liabilities approximate their fair values because of the short maturity of these financial instruments.

Interest rate risk

The Company is not exposed to significant interest rate risk due to the short-term maturity of its monetary current assets and current liabilities.

Credit risk

The Company is not exposed to significant credit risk with respect to its accounts receivable.

The Company's financial asset that is exposed to credit risk consists primarily of cash, which is placed with major financial institutions.

Currency risk

The Company is exposed to foreign currency fluctuations to the extent that mineral property expenditures incurred by the Company and expenditure commitments in property agreements are not denominated in Canadian dollars.

4. EQUIPMENT

	2006			2005		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Computer equipment	$ 1,174	$ 176	$ 998	$ -	$ -	$ -
Field equipment	20,832	2,083	18,749	-	-	-
	$ 22,006	$ 2,259	$ 19,747	$ -	$ -	$ -

5. INVESTMENT IN MINERAL PROPERTY INTERESTS

	El Salvador	Peru	Canada	Alaska, US	Other [1]	Total
Balance, August 31, 2004	$ 200,000	$ -	$ -	$ -	$ 212,250	$ 412,250
Additions	-	-	-	-	25,361	25,361
Option payments	(182,611)	-	-	-	-	(182,611)
Option payments credited to Income	82,612	-	-	-	-	82,612
Write-downs	-	-	-	-	(237,610)	(237,610)
Balance, August 31, 2005	**$ 100,001**	**$ -**	**$ -**	**$ -**	**$ 1**	**$ 100,002**
Additions						
Acquisition costs	23	9,831	130,021	129,134	-	269,009
Analyses	4,054	4,410	1,300	13,455	-	23,219
Drilling/trenching	245,656	-	-	394,136	-	639,792
Field support	87,144	8,987	92,910	199,280	-	388,321
Geology/geophysics	109,704	6,830	129,029	112,400	-	357,963
Maps/drafting	13,633	-	12,246	991	-	26,870
Transport/travel	9,788	16,106	58,465	64,555	-	148,914
Local office costs	14,880	16,244	-	-	-	31,124
Option payments	(56,950)	-	-	-	-	(56,950)
Cancellation payment	(64,163)	-	-	-	-	(64,163)
Recovery of costs	(359,570)	-	-	-	-	(359,570)
Total additions	4,199	62,408	423,971	913,951	-	1,404,529
Balance, August 31, 2006	**$ 104,200**	**$ 62,408**	**$ 423,971**	**$ 913,951**	**$ 1**	**$ 1,504,531**

[1] includes write down of $229,273 and $8,337 of Honduras and Argentinean mineral property interests respectively, in 2005.

5. INVESTMENT IN MINERAL PROPERTY INTERESTS (cont'd…)

The Company's investment in and expenditures on resource properties comprise a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent on establishing legal ownership of the mineral properties, the attainment of successful commercial production, or from the proceeds of their disposal. The amounts shown as mineral property interests represent acquisition costs and deferred exploration expenditures incurred to date and do not necessarily reflect present or future values.

El Salvador

Santa Clara/Gaspar/Cerro Bonito: The Company held 100% of two exploration licenses on this project located in eastern El Salvador. On August 1, 2002, the Company entered into a joint venture agreement ("JV") on the project with Pacific Rim Mining Corp. ("Pacific Rim") and under the JV, the Company's two licenses were terminated, and two new licenses (totalling 82 square kilometres) were granted to the JV operator under the new mining laws of El Salvador. The JV operator did not meet their obligations to vest in the JV and terminated the agreement in late 2003. According to the terms of the JV, the new licenses were to be returned to the Company; however, the Ministry of Mines in El Salvador did not approve this transfer. In late 2004, the Company re-applied for one new exploration license covering the remaining prospective ground. In February 2005, the Company entered into a letter agreement with Wealth Minerals Ltd. ("Wealth"), allowing Wealth the right to acquire a joint venture interest in the project, but this agreement was not finalized as the time frame outlined in the letter agreement expired prior to completion of all definitive documentation. In June 2005, the Ministry of Mines in El Salvador approved this new 47 square kilometre license, the Cerro Bonito License.

In 2004, management wrote down its costs at Santa Clara/Gaspar to $100,000.

On January 4, 2006, the Company entered into an agreement whereby Placer Dome Exploration ("Placer") was granted an option to earn up to an 80% interest in the Cerro Bonito licence in Eastern El Salvador. Terms called for US $200,000 in payments over 3 years (US $50,000 upon signing was paid to the Company) and $4,000,000 in expenditures over 4 years to earn a 70% interest. An additional 10% equity was to be earned within the succeeding four years by funding a feasibility study and spending not less than $1,000,000 per year until completion of the feasibility study at which point the project would convert to a joint venture.

Barrick Gold Corporation acquired Placer in February 2006, and in May 2006 negotiated a termination of the Santa Clara option and paid the Company US $58,050 in cancellation payments to cover expenditures to the date of termination.

In July 2006 the Company entered into an option agreement whereby Kinross Gold Corporation ("Kinross") may earn a 66⅔% interest in the Santa Clara project in El Salvador. Over 4 years, Kinross will expend US $5 million in exploration of the property, with a minimum of US $500,000 in the first year. In addition, Kinross agreed to underwrite a portion of the July 21, 2006 private placement in the Company in the amount of $838,125 (US $750,000) consisting of approximately 1,400,000 units as per the terms for non-flow-through units described under Private Placements in Note 6. The Company remains the operator of the project until such time as the program has progressed to a point where Kinross takes over.

El Potosi: The Company holds 100% of the rights to the 48 square kilometres El Potosi area, located 90 kilometres east of the capital city of San Salvador.

5. INVESTMENT IN MINERAL PROPERTY INTERESTS (cont'd…)

El Salvador (cont'd…)

During the year ended August 31, 2002, the Company entered into an agreement with Tournigan Ventures Corporation ("Tournigan") whereby Tournigan had an option to acquire a 100% interest in the El Potosi concession by making payments as follows:

a. US $25,000 within 30 days of signing the agreement (received);

b. US $25,000 on the first anniversary (received in year ended August 31, 2003);

c. US $50,000 on the second anniversary (received in year ended August 31, 2005);

d. US $100,000 on the third anniversary (received in year ended August 31, 2005); and

e. US $1,250,000 on the fourth anniversary (August 31, 2006 – renegotiated; refer to note 8, Subsequent Events).

Tournigan could delay payment of the final US $1,250,000 payment until the fifth anniversary of the agreement by paying the Company US $150,000 on the fourth anniversary date. The Company will retain a 1% net smelter royalty ("NSR") on production of gold and silver in excess of 200,000 ounces.

In 2004, when the second anniversary payment was not made, management wrote down its costs at El Potosi to $100,000. In February 2004, Tournigan assigned the option of El Potosi to Condor Resources Limited ("Condor"). Condor made the third and fourth option payments totalling $182,611 (US $150,000) during the year ended August 31, 2005. The Company applied $99,999 of the option payments against the carrying value of the property. The remaining $82,612 received in excess of the carrying value was credited to operations. The El Potosi property is now recorded at a nominal value of $1.

Peru

Cerro Condorini: On January 16, 2006, the Company acquired, by staking, a 100% interest in a 1,000-hectare prospect in southern Peru.

Alaska

Sleitat: On August 17, 2005, the Company entered into a Letter of Intent ("LOI") with Solomon Resources Limited ("Solomon"), a related party with common directors, to option Solomon's 100% owned Sleitat Mountain in southwest Alaska. The 3,520-acre Sleitat Mountain project is located approximately 135 kilometres northeast of the coastal town of Dillingham.

Under the terms of the LOI, the Company can acquire an 80% interest in the Sleitat Mountain property by issuing 1,000,000 shares of the Company to Solomon over a four-year period; the first 200,000 shares were issued upon signing. The Company will issue an additional 200,000 shares on each anniversary date of the LOI (the 2nd tranche of 200,000 shares was issued in August 2006), as long as the Company has not terminated its interest in the project. Upon the Company vesting at 80% in the property, a Joint Venture will be constituted. Further exploration or development expenditures will be shared 80/20 unless a given party dilutes to less than a 10% participating interest. In such a case, that party would retain only a 1% NSR on subsequent production of any metals from the property.

Coal Creek: On January 11, 2006, the Company acquired by staking claims, a 100% interest in tin prospects in the Alaska Range.

5. INVESTMENT IN MINERAL PROPERTIES (cont'd…)

Canada

JC Project (Smart Group), Yukon: On October 4, 2005, the Company acquired by staking, a 100% ownership of the deposit in south-central Yukon. Four claim groups totalling 32 claims (668 hectares) were staked in the Smart River area located 30 kilometres north of the Alaska Highway, 58 kilometres east of Teslin, 58 kilometres west northwest of Rancheria.

Hammond Reef, Ontario: On March 1, 2006, the Company entered into an agreement with Kinross to earn up to a 60% interest in the Hammond Reef property near Atikokan, Ontario and issued 200,000 common shares of the Company valued at $68,000, the first of 5 instalments for a total of 1,000,000 common shares. The Company is committed to expend US $1,000,000 in the first year on exploration and development of the property and a total of US $5,000,000 of expenditures over four years. Upon exercise of the option on the fourth anniversary, a 60/40 participating joint venture will be formed to further develop the property. At that time Kinross will have a one-time opportunity to earn back 20% and the right to operate the project by electing to fund 100% of the next US $5,000,000 in expenditures.

Manley Patents (within Hammond Reef property): On March 23, 2006, the Company acquired the 90-hectare Manley Patents, a group of three patented mining claims within the Hammond Reef property. Now amalgamated with the Kinross property in accordance with the original option agreement with Kinross to acquire a 60% interest in the Hammond Reef project, this acquisition closes a significant gap in the land position. Under the terms of the purchase agreement, the Company will issue the vendor 250,000 common shares of the Company over a 3 year period; the first 100,000 were issued at the execution. The vendor will retain a 2% Net Smelter Return royalty, one half of which may be purchased for $500,000.

Argentina

The Company held an option to acquire a 100% interest in the La Frontera Property in Argentina by paying to Mansfield Minerals, Inc. ("Mansfield") US $550,000, incurring cumulative expenditures of US $1,500,000 on the property and issuing 200,000 common shares to Mansfield as follows:

	Cash	Number of Shares	Cumulative Expenditures
On execution of agreement (done)	$ -	50,000	$ -
6 months (done)	25,000	-	-
Year 1 (done)	-	50,000	50,000
Year 2 (terminated)	50,000	50,000	200,000
Year 3	75,000	50,000	500,000
Year 4	150,000	-	1,000,000
Year 5	250,000	-	500,000
	$ 550,000	200,000	$ 2,250,000

The costs of $222,488 have been written off as of August 31, 2004. During the 2005 fiscal year, the Company relinquished its option and returned the property to Mansfield. The Company incurred $8,337 of incidental expenses, which were written off.

5. INVESTMENT IN MINERAL PROPERTIES (Continued)

Honduras

The Company signed a letter of intent ("LOI") with Tierra Colorada on October 20, 2003, giving the Company the option to acquire an interest in seven different exploration projects in Honduras (terminated in the year ended August 31, 2005).

The agreement with Tierra Colorada called for a US $25,000 payment and the issuance of 100,000 shares of the Company upon TSX Venture Exchange (the "Exchange") approval (done). The Company was further committed to US $50,000 of exploration work over the following six months (done), with an additional US $25,000 payment (delayed) and 100,000 shares (done) due on the six-month anniversary following approval, May 1, 2004. On or before January 1, 2005 (delayed), the Company could select specific project areas to pursue and make a US $10,000 payment for each such project area. Over the following four years the Company would at its option, make additional payments of US $100,000 for each project area it wished to retain. On January 1, 2005 (delayed), and over the following four-year period, the Company would also issue a total of 500,000 shares as long as the Company maintained its right to earn an interest in one or more project areas.

		Cash	Number of Shares		Cumulative Expenditures
On execution of agreement (done)	$	25,000	100,000	$	-
Six months (done, other than payment of $25,000 (delayed))	$	25,000	100,000	$	50,000
For each project area selected					
January 1, 2005 (delayed)	$	10,000	50,000	$	-
January 1, 2006	$	10,000	50,000	$	-
January 1, 2007	$	20,000	100,000	$	-
January 1, 2008	$	20,000	100,000	$	-
January 1, 2009	$	50,000	200,000	$	-

If the Company completed the scheduled payments for each project area and issued the 500,000 shares, it would have earned 100% in the selected project areas, subject to a 2% NSR. The Company would be required to make annual advance minimum royalty payments of US $50,000 beginning on January 1, 2010 and increasing to US $100,000 on January 1, 2015. The Company would have the right to buy down the above royalty to 1% by making a US $2,000,000 payment on or before January 1, 2010.

The concession approval process in Honduras was placed on hold in March 2004. The underlying agreement for the projects was made subject to a force majeure on June 15, 2004, suspending obligations as indicated above. The project situation in Honduras was reviewed in summer 2005, and consequently the agreement was terminated. During the 2005 fiscal year, the Company returned the properties to the optionor and wrote off its costs of $229,273.

6. CAPITAL STOCK AND CONTRIBUTED SURPLUS

	Number of shares	Capital stock	Contributed surplus
Authorized			
100,000,000 common shares without par value			
Balance, August 31, 2005 and 2004	18,661,475	$ 10,624,910	$ 91,550
Issued during the year			
For cash:			
Private placements	7,906,874	4,248,325	-
Exercise of options	463,167	135,075	(9,458)
Exercise of warrants	207,750	62,325	-
For mineral properties	700,000	207,250	-
Stock-based compensation	-	-	182,473
Share issue costs	-	(138,652)	-
Future income tax benefit	-	(60,839)	-
Balance, August 31, 2006	27,939,266	$ 15,078,394	$ 264,565

Private placements

On October 6, 2005, the Company completed a non-brokered private placement of 1,650,000 units at $0.20 per unit for gross proceeds of $330,000. Each unit consisted of one common share and one-half of a non-transferable share purchase warrant entitling the holder to acquire one common share within two years of issuance. Each full share purchase warrant will be exercisable at $0.30 per share in year one and at $0.40 per share in year two. Commissions on a portion of the placement payable were $4,970 cash and 35,500 broker warrants exercisable at $0.30 per share for a period of one year.

On December 30, 2005, the Company completed a non-brokered private placement of 488,000 flow-through shares at $0.35 per share for gross proceeds of $170,800.

On July 21, 2006 and August 21, 2006, the Company completed a non-brokered private placement in two tranches, to raise $3,747,525. The issue was comprised of 2,862,000 flow-through shares at $0.70 per share and 2,906,875 units at $0.60 per unit; each unit consisting of one common share and one-half share purchase warrant. Each full warrant is exercisable at $0.80 for a period of two years. The expiry period of the warrants may be reduced, upon notice to holders and at the election of the Company, if the shares trade at a price equal to or greater than $1.00 per share for 20 consecutive trading days. If this condition is met and the Company so elects, the exercise period will be reduced to 25 business days from the date notice is provided by the Company to the warrant holders. In conjunction with an option agreement on the Santa Clara project in El Salvador, Kinross Gold Corporation took 1,396,875 units of non-flow-through of the private placement for $838,125 (US $750,000); included in the total $3,747,525. Commission of $18,938 and finders' fees of $112,294 were paid and 152,600 one-year warrants exercisable at $0.80 were issued on a portion of the financing.

Share subscription receivable

A portion of the amount due for subscribed shares ($21,000) was owing to the Company in fiscal 2005. The Company collected the share subscription receivable from the past director in fiscal 2006.

6. CAPITAL STOCK AND CONTRIBUTED SURPLUS (cont'd…)

Stock options and warrants

The Company has a stock option plan under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock, less applicable discount, as calculated on the date of grant. The options can be granted for a maximum term of 5 years.

During 2006, the Company granted 815,000 options to newly appointed directors, employees and consultants, exercisable for a five-year period at $0.25 per share and 200,000 options to certain employees and consultants, exercisable for a five-year period at $0.50 per share.

Stock option and share purchase warrant transactions are summarized as follows:

	Stock Options		Warrants	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Outstanding, August 31, 2004	1,425,000	$ 0.28	5,932,499	$ 0.35
Expired/cancelled	(225,000)	$ 0.30	(2,475,000)	$ 0.28
Outstanding, August 31, 2005	1,200,000	$ 0.27	3,457,499	$ 0.40
Granted	1,015,000	$ 0.30	2,466,538	$ 0.63
Exercised	(463,167)	$ 0.27	(207,750)	$ 0.30
Expired/cancelled	(98,500)	$ 0.25	(3,457,499)	$ 0.40
Outstanding, August 31, 2006	1,653,333	$ 0.29	2,258,788	$ 0.66

At August 31, 2006, outstanding incentive stock options and share purchase warrants were outstanding as follows:

	Number of Shares	Exercise Price	Expiry Date
Options	300,000	$ 0.30	June 11, 2007
	203,333	$ 0.20	June 16, 2008
	150,000	$ 0.30	August 3, 2009
	800,000	$ 0.25	October 18, 2010
	200,000	$ 0.50	March 20, 2011
Warrants	652,750	$ 0.30	October 7, 2006
		then at $ 0.40	October 7, 2007
	98,560	$ 0.80	July 21, 2007
	1,262,438	$ 0.80	July 21, 2008
	54,040	$ 0.80	August 21, 2007
	191,000	$ 0.80	August 21, 2008

6. CAPITAL STOCK AND CONTRIBUTED SURPLUS (cont'd…)

Stock-based compensation

On October 18, 2005, the Company granted 815,000 options to consultants, officers and directors. Accordingly, using the Black-Scholes option pricing model, the stock options are recorded at fair value in the statement of operations. Total stock-based compensation recognized in the statement of operations and as contributed surplus on the balance sheet was $124,284 and the weighted average fair value of options granted was $0.16 per share. A further $1,936 is to be charged in the next quarter when the remaining options vest.

On March 20, 2006, the Company granted 200,000 options to certain employees and consultants. Accordingly, using the Black-Scholes option pricing model, the stock options are recorded at fair value in the statement of operations. Total stock-based compensation recognized in the statement of operations and recorded as contributed surplus on the balance sheet was $58,189 and the weighted average fair value of options granted was $0.31 per share. A further $4,012 is to be charged in the next two quarters when the options become vested.

There were no options granted in fiscal 2005.

The following weighted average assumptions were used for the valuation of stock options and share purchase warrants:

	2006	**2005**
Risk-free interest rate	3.74%	-
Expected life of options and/or warrants	5 years	-
Annualized volatility	72.4%	-
Dividend rate	0.00%	-

7. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions in fiscal 2006 with related parties:

a. paid or accrued management consulting fees of $109,342 (2005 - $30,000) to companies controlled by directors or officers;

b. paid or accrued geological services of $10,818 (2005 - $87,736) to companies controlled by directors or officers; and

c. paid $15,700 (2005 - $10,500) for office and related costs to a company with a common officer.

d. paid professional fees of $nil (2005 - $12,500) to a company controlled by a common officer;

e. included in accounts payable and accrued liabilities is $97,769 (2005 - $14,982) owed to directors and officers of the Company;

f. a subscription receivable of $21,000 due from a past director for a portion of his participation in the 2004 private placement and shown as a reduction of equity, was paid in fiscal 2006; and

g. paid $12,000 (2005 - $nil) for equipment to a director and officer of the Company.

7. RELATED PARTY TRANSACTIONS

The above transactions except for note 7(g) are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. The purchase of equipment is not in the normal course of operations and is measured at the exchange amount, which is the resale value.

8. SUBSEQUENT EVENTS

Subsequent to August 31,2006, the Company:

a. issued 642,750 common shares on exercise of warrants due to expire October 7, 2006 and/or increase in price from $0.30 to $0.40 for the second year, for proceeds of $192,825;

b. granted 980,000 options to various employees, consultants and directors of the Company exercisable at $0.70 per share until September 6, 2011 and granted a further 150,000 options to a consultant exercisable at $0.70 per share until September 11, 2011;

c. entered into an option to acquire the surface rights of the Manley Patents (within Hammond Reef) for the consideration of $75,000 cash payment, issuance of 175,000 shares of the Company, a two year warrant for the purchase of 125,000 shares of the Company at a price of $0.70 per share and a final cash payment at the Company’s election and timing, of $1 million to take full possession;

d. optioned the Cerro Condorini Property in Southern Peru to Zincore Metals Inc (“Zincore”). Under the terms of the agreement, Zincore has the option to earn a 60% interest in the property by spending US $1,500,000 on exploration and making cash payments to the Company of US $75,000 over two years. The first year's minimum exploration expenditure of US $200,000 is a firm commitment. Zincore will be the operator of the property. Zincore can earn an additional 10% interest in the Cerro Condorini property (for a total 70% interest) by expending US $2,500,000 on exploration over the next two years and a further 10% interest in the property (for a total 80% interest) by contributing US $4,000,000 over the following four years. In total, to earn its 80% interest, Zincore will spend US $8 million over a period of 8 years;

e. renegotiated the El Potosi Gold Concession option agreement with Condor Resources Plc (“Condor”) in order to accommodate Condor's intent to increase expenditure on work and substitute a share issue for a portion of the cash payment to the Company. In order to earn a 100% interest in the El Potosi Project, Condor was to pay the Company US $1,250,000 by August 24, 2006, or defer the payment for a year by paying the Company US $150,000 by the due date and US $1,250,000 by August 24, 2007. Condor elected the deferral, and the Company has accepted in lieu of the US $150,000 payment the amount of US $50,000 cash and 500,000 shares of Condor. Condor may defer the payment of US $1,250,000 for a further year, to August 24, 2008, by paying the Company a further $150,000 of which $100,000 may be substituted at Condor's option with a quantity of Condor shares valued at the average market price for three days prior to the settlement date or at 10 pence per share, whichever is greater. During each year that Condor defers payment, Condor must expend a minimum of US $250,000 on the property. The Company will retain a 1% NSR on any production over 200,000 ounces from the property.

f. intends to complete a non-brokered private placement to raise up to $5 million of which $3 million will be flow through common shares at $0.80 per share and $2 million will be in units. Each non flow-through unit will be sold for $0.70 per unit and consist of one common share and one-half of one share purchase warrant. Each whole warrant is exercisable for one common share at $0.95 for two years from the closing date. At the election of the Company, the expiry period may be reduced to 25 business days from a notice date should the closing price of the shares be equal to or greater than $1.20 per share for 10 consecutive trading days. The placement is subject to regulatory approval.

9. SEGMENTED INFORMATION

The Company's one reportable operating segment is the acquisition and exploration of mineral properties. Geographic information is as follows:

	2006	2005
Assets		
Canada	$ 4,063,287	$ 312,783
El Salvador	276,892	100,501
Peru	68,154	10,000
Other	-	501
United States	913,951	-
	$ 5,322,284	$ 423,785

10. INCOME TAX LOSSES

The Company has accumulated losses for Canadian tax purposes of approximately $1,625,000 that expire in various years to 2026 as follows:

Available to	Amount
2007	$ 217,000
2008	128,000
2009	145,000
2010	138,000
2014	370,000
2015	418,000
2026	209,000
	$ 1,625,000

Future income tax assets and liabilities are recognized for temporary differences between the carrying amounts of the balance sheet items and their corresponding tax values as well as for the benefit of losses available to be carried forward to future years for tax purposes that are more likely than not to be realized.

The reconciliation of income tax benefit computed at statutory rates to the reported income tax benefit is as follows:

	2006	2005
	34.12%	35.37%
Income tax benefit computed at Canadian statutory rates	$ 135,696	$ 202,139
Permanent differences not recognized in year	(62,260)	(914)
Temporary differences not recognized in year	(2,224)	(82,640)
Unrecognized tax losses	(71,212)	(120,413)
Future income tax arising from flow-through share renouncement	60,839	-
Future income tax recovery	$ 60,839	$ -

10. INCOME TAX LOSSES (cont'd…)

Significant components of the Company's future tax assets and liabilities, after applying enacted corporate income tax rates, are as follows:

	2006	2005
Future income tax assets		
Non-capital loss carry forwards	$ 554,624	$ 606,470
Book value of assets	(513,083)	(93,212)
Unused mineral exploration expenses	18,999	19,695
Unused cumulative Canadian exploration expenses	390,920	361,684
Unused cumulative Canadian development expenses	45,085	748
Unused cumulative foreign exploration and development expenses	1,418,460	1,115,536
	1,915,005	2,010,921
Valuation allowance for future income tax assets	(1,915,005)	(2,010,921)
	$ -	$ -

Flow-through shares entitle a company that incurs certain resource expenditures in Canada to renounce them for tax purposes allowing the expenditures to be deducted for income tax purposes by the investors who purchased the shares. A future income tax liability arises from the renunciation of mineral exploration costs to investors of flow-through shares.

Funds raised through the issuance of flow-through shares are required to be expended on qualified Canadian mineral exploration expenditures, as defined pursuant to Canadian income tax legislation. The flow-through gross proceeds less the qualified expenditures made to date, represent the funds received from flow-through share issuances which have not been spent as at August 31, 2006 and which are for such expenditures. As at August 31, 2006, the amount of flow-through proceeds remaining to be expended is $3,181,870.

BRETT RESOURCES INC.
FORM 51-102F1

MANAGEMENT DISCUSSION AND ANALYSIS – 4^{th} QUARTER and ANNUAL

The following Management Discussion and Analysis ("MD&A"), prepared as of ***December 6, 2006,*** provides information that management believes is relevant to an assessment and understanding of Brett Resources Inc.'s financial condition and the results of its operations and cash flows for the year ended August 31, 2006. The discussion should be read in conjunction with the annual audited consolidated financial statements with its related notes for the year ended August 31, 2006. The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles and all numbers are reported in Canadian dollars, unless otherwise noted.

Description of Business

Brett Resources Inc. (hereinafter referred to as "Brett" or the "Company") is a mineral exploration stage company with its main properties located in Latin America, Canada and Alaska. Brett and its wholly owned subsidiary, Gridiron Exploration Ltd., conduct their activities through local subsidiary companies. The Company is a Tier 2 reporting issuer in British Columbia and Alberta and trades on the TSX Venture Exchange under the symbol BBR.

Exploration Overview and Overall Performance

Hammond Reef, Ontario, Canada

In March 2006, the Company entered into an agreement with Kinross Gold Corporation ("Kinross") to earn up to a 60% interest in Kinross' Hammond Reef gold property near Atikokan, Ontario. The terms of the option agreement require the Company to expend a total of US $5,000,000 on exploration and development of the property within four years, with US $1,000,000 to be spent in the first year. Additionally, the Company will issue Kinross a total of 1,000,000 common shares of the Company in five equal tranches, of which the first 200,000 common shares were issued upon execution of the Agreement and the remainder are to be issued on each of the four subsequent anniversary dates thereof. Upon exercise of the option prior to or by the fourth anniversary, a 60%/40% participating joint venture will be formed to further develop the property. At that time Kinross will have a one-time opportunity to earn back a 20%interest and the right to operate the project, by electing to fund 100% of the next US $5,000,000 in expenditures.

The property comprises 142 claims and leases totaling 3,785 hectares, and covers a strike length of 14 kilometres along the favourable structure and stratigraphy which is host to the gold mineralization. Hammond Reef has been subject to historic exploration, including almost eighteen thousand metres of diamond drilling in 83 holes since 1984.

<u>Manley Patents-</u> The Company entered into an agreement to acquire the mineral rights to the 90 hectare Manley Patents, a group of 3 patented mining claims situated entirely within the Kinross Hammond Reef property (see above). Now amalgamated with the Kinross property and covered by the option agreement with Kinross, the inclusion of the Manley Patents closed a significant gap in the original land position, allowing exploration to be conducted along the entire length of the gold bearing Hammond Reef Schist Zone. Under the terms of the option agreement, the Company will issue the vendor, 250,000 common shares of the Company over a 3 year period, with the first 100,000 issued at execution. The vendor will retain a 2% Net Smelter Return royalty, one half of which may be purchased for $500,000.

Since the owner had previously alienated the surface rights to the Manley Patents, a separate agreement was negotiated with the owner of these rights. Under the terms of this agreement, Brett and Kinross have acquired an option to purchase the surface rights, including all improvements for $1,000,000 for the following consideration: a cash payment of $75,000 (to be paid by Kinross); the issuance of 175,000 common shares of the Company; a two year option for the purchase of 125,000 shares of the Company at a price of $0.70 per share which may convert to a five year option if and when Brett attains Tier 1 status on TSX-V. The agreement also includes some seasonal and areal restrictions, not considered material to the exploration program; and adequate notice prior to exercise of the option.

Hammond Reef (including Manley Patents), Ontario, Canada *(cont'd…)*

The Company's agreement with Kinross Gold Corporation and the vendor of the mining rights of the Manley Patents are as follows:

PAYMENT ISSUANCE DATE	SHARE ISSUANCES TO KINROSS	SHARE ISSUANCES TO MANLEY PATENTS VENDOR	EXPENDITURES (EXPLORATION COMMITMENTS) US$
March 1, 2006	200,000		$ 1,000,000 1st year
May 31, 2006		100,000 issued	
March 20, 2007 (1)	200,000	50,000	
March 20, 2008	200,000	50,000	
March 20, 2009	200,000	50,000	$ 4,000,000
March 20, 2010	200,000		
	1,000,000	250,000	$ 5,000,000

Data assembly and review in April and May led to the filing on SEDAR of an NI 43-101 technical report and subsequent to data compilation, initial work on the property consisted of line cutting to re-establish and extend cut-line survey grids from previous work. Mapping, prospecting, geochemical surveys, and differential GPS survey of the grids and drill hole collars continued through the second half of the year. A diamond drilling program commenced on October 18, 2006.

Santa Clara, El Salvador

In December 2006, the Company granted an option to earn up to an 80% interest in the Cerro Bonito license, the Company's wholly owned Santa Clara Property in eastern El Salvador, to Placer Dome Exploration Inc. ("Placer"). Barrick Gold Corporation acquired Placer in February 2006, and in May negotiated a termination of the Santa Clara option, relinquishing all interest in the Property, including the outlays of US$50,000 (initial option payment) and US$58,050 in exploration expenditures under the option.

On June 22nd the Company granted an option to Kinross Gold Corporation ("Kinross") to earn a 66 ⅔ interest in the Cerro Bonito license upon the following terms: Kinross will expend US $5 million on exploration of the property over 4 years, with a minimum of US $500,000 in the first year. In addition, Kinross underwrote a private placement in Brett in the amount of US $750,000 through the purchase of 1,396,875 units. Each unit was priced at $0.60 and was comprised of one common share and one half of one share purchase warrant. Each whole warrant is exercisable into one common share of the Company at an exercise price of $0.80. The warrants have a two-year term and an accelerator clause whereby if Brett's stock closes at or above $1.00 per share for 20 consecutive trading days, the expiry date may be reduced, at the election of Brett and upon written notice to Kinross, to thirty days from the triggering event. Upon completion of the Kinross earn-in, the project will be operated as a standard joint venture with each participant carrying its pro rata share of costs. The agreement incorporates an area of influence clause which has resulted in the subject property being enlarged to include the new Jicaras Largas license, a 36 square kilometre area lying immediately adjacent to and west of Cerro Bonito.

Fourteen HQ diamond drill holes, totaling 1,692 meters, were completed in 2006 on two targets, designated as Tinta Amarilla and Santa Clara, on the Cerro Bonito License. Both targets are low sulphidation colloform-banded, quartz-chalcedony-adularia vein systems localized within a mid-Tertiary volcanic rift system. Encouraging results from both areas have resulted in a further drilling campaign proposed to commence as soon as new drill permitting is completed. The contiguous Jicaras Largas license area, still at the prospecting and mapping stage, is host to banded veins and vein breccias up to 5 m wide. The Company and Kinross have recently applied for yet another 95 sq. km of adjacent ground encompassing additional areas of anomalous gold-silver mineralization related to mid-Tertiary felsic to intermediate volcanism, hydrothermal alteration and epithermal veining.

El Potosi, El Salvador

The Company granted an option to earn a 100% interest in the 48 square kilometre El Potosi property to Tournigan Gold Corporation in 2002. This option was later assigned to Condor Resources Plc ("Condor"), an AIM listed company, which trades under the symbol CNR. The terms of the option require payment of US$1.45 million over a period of four years, with certain extension and penalty provisions. The Company has retained a 1% net smelter royalty on production of gold and silver in excess of 200,000 ounces. A total of US$200,000 in payments has to date been received by the Company. A new agreement between the Company and Condor includes the following remaining conditions for Condor to exercise the option, with the royalty remaining in effect.

1. Condor will deliver to the Company US$50,000 and 500,000 common shares of Condor upon execution

2. On or before August 24, 2007 and in each subsequent year until the option is fully exercised Condor must expend a minimum of US$250,000 on the property.

3. On or before August 24, 2007 Condor will pay the Company US$1,250,000, or Condor may elect to defer such payment for one additional year by paying the Company US$150,000, of which US$100,000 may be substituted at Condor's option with a quantity of Condor shares valued at the average market price for three days prior to the settlement date or 10 pence per share, whichever is greater.

Condor completed a program of 2,436m of RC and 656m of diamond drilling in 24 holes in the late fall of last year.

Cerro Condorini, Peru

In January 2006, the Company acquired, by staking, a 100% interest in this 1000 hectare zinc-lead-silver prospect in southern Peru. An initial program of mapping and sampling yielded sufficient encouragement to stake a second contiguous 900 hectare claim east of the original ground. Geological mapping and sampling resulted in discovery of high-grade silver, zinc and lead mineralization in and peripheral to historic mine workings, and has identified oxide mineralization along strike to the northwest of the historic mine in a broad zone up to 1.5 kilometres wide and 5 kilometres long. Surface sampling near the southern end of this zone returned a weighted average grade of 15.3% Zn over a true width of 20 metres. Additional values up to 280 g/t Ag and up to 4% Pb over narrower widths were also reported.

In November 2006 an option agreement was negotiated with Zincore Metals Inc., whereby Zincore may acquire a 60% interest in the property by spending US$1,500,000 on exploration and making cash payments to Brett of US$75,000 over two years. The first year's minimum exploration expenditure of US$200,000 is a firm commitment. Zincore has been appointed operator of the project. Upon Zincore earning its interest, the parties will incorporate a Peruvian corporation in accordance with their respective interests to continue exploration on the property. Zincore can earn an additional 10% interest in the Cerro Condorini property (for a total 70% interest) by expending a further US$2,500,000 on exploration over the next two years and an additional 10% interest in the property (for a total 80% interest) by expending US$4,000,000 over the following four years. In total, to earn an 80% interest, Zincore would be required to spend US$8 million over a period of 8 years.

Sleitat, Alaska

An NI 43-101 technical report was filed on the SEDAR website for the Sleitat Mountain Tin-Silver-Tungsten property, optioned from Solomon Resources Limited ("Solomon") and located approximately 135 km northeast of the coastal town of Dillingham.

Under the terms of the LOI, dated August 2005, the Company can acquire an 80% interest in the Sleitat Mountain property by issuing 1,000,000 shares of the Company to Solomon over a four-year period; the first 200,000 shares were issued upon signing. The Company will issue an additional 200,000 shares on each anniversary date of the LOI (the 2nd tranche of 200,000 shares was issued in August 2006), as long as the Company has not terminated its interest in the project. Upon the Company vesting at 80% in the property, a Joint Venture will be constituted. Further exploration or development expenditures will be shared 80/20 unless a given party dilutes to less than a 10% participating interest. In such a case, that party would retain only a 1% NSR on subsequent production of any metals from the property.

***Sleitat, Alaska** (cont'd…)*

The prospect is exposed in a saddle on Sleitat Mountain, where tin, tungsten silver and gold occur in an east-west trending, steeply dipping greisen zone that extends nearly 1 kilometre along trend. The mineralized greisen varies from 30 to 240 metres wide and, based on results of drilling by Cominco in 1989, extends to a minimum depth of 90 metres. An 826 kg bulk sample collected and analyzed by the US Bureau of Mines and reported by Alaska State Department of Natural Resources geologist Robert Burleigh in 1991 assayed 0.37% tin, 17 g/t silver and 432 ppm tungsten. Cominco drilling results include a 29.4 meter intersection of 1.6% tin (including 3.1 metres grading 12.6% tin and 198 g/t silver).

A 700 metre helicopter-supported core-drilling program completed by the Company in July 2006 succeeded in confirming the results of the earlier drilling by Cominco and providing encouragement for expanding the resource.

Coal Creek, Alaska

In 2005, the Company acquired a 100% interest in the Coal Creek tin prospect in the foothills of the Alaska Range by staking. Located 200 kilometres due north of Anchorage, the property lies 8 kilometres west of the Hurricane rail station, just west of the Parks Highway between Anchorage and Fairbanks. .

The 971 ha (2,400 acres) property covers an area that was subject to an intensive exploration program between 1982 and 1988 by a joint venture of Houston International Minerals Corporation and Billiton Exploration U.S.A. Inc., including 42 diamond drill holes to depths of up to eight hundred feet. Preliminary metallurgical analysis conducted by the Houston Oil & Minerals/Billiton JV on selected core samples indicates the tin mineralization can readily be liberated from gangue materials, and shows good potential for production of a high-grade tin concentrate.

In spring of 2006, 398 feet of core from 5 historic holes were quartered and re-sampled by the Company. Results confirmed the presence of tin and silver mineralization but with values approximately one-third lower than previously recorded. Subsequently, a 670 metre core drilling program to confirm and expand on historical results was conducted in late summer 2006. Unfortunately, the program was initiated under extremely adverse weather conditions which impacted the helicopter supported work. The difficulties were compounded by broken ground which prevented two of four planned holes reaching target depths. The tin values encountered were significantly lower than those reported from earlier work, with the broader intervals in the order of 100-200 m returning less than 0.15 % Sn and less than 5 g Ag. The complete dataset from the historical work has recently been acquired and, combined with the current results, will provide the basis for further evaluation of the property. The apparent discrepancy between the original (Houston Oil & Minerals/Billiton JV) tin values in mineralized core intervals and the recent re-sampling of the core will be investigated further in order to find a reason for the discrepancy and determine whether the older data may be relied upon.

JC Project (Smart Group), Yukon

Four claim groups totaling 668 hectares comprising the JC project were staked for the Company in the fall of 2005and are 100% owned. A three week program of mapping, sampling and geophysics was undertaken in July to confirm and extend values from earlier work, with a view to laying groundwork for a possible core drilling program. The program was successful in confirming the validity of prior results.

Mineral properties and expenditures

At August 31, 2006, the Company's mineral properties and expenditures thereon were as follows:

	HAM-MOND REEF	JC PROP	SLEITAT MTN.	COAL CREEK	S.CLARA EL SAL-VADOR	CONDO-RINI PERU	OTHER	TOTAL
BALANCE, AUG.31, 2005	$ -	$ -	$ -	$ -	$100,000	$ -	$ 2	$ 100,002
LAND COSTS	111,107	18,914	102,204	26,930	23	9,831	-	269,009
ANALYTICAL SERVICES	-	1,300	11,797	1,658	4,054	4,410	-	23,219
DRILLING / TRENCHING	-	-	146,800	247,336	245,656	-	-	639,792
FIELD SUPPORT	36,549	56,361	134,128	65,151	81,193	8,987	5,951	388,321
GEOLOGY / GEOPHYSICS	78,580	50,448	49,777	62,623	109,704	6,830	-	357,963
LOCAL OFFICE & LEGAL	-	-	-	-	14,880	16,245	-	31,125
MAPS AND REPORTS	11,918	328	694	297	13,633	-	-	26,870
TRAVEL/TRANSPORT COSTS	6,428	52,036	62,294	2,261	9,788	16,106	-	148,913
CURRENT YEAR EXPENDITURES	244,584	179,387	507,694	406,256	478,931	62,409	5,951	1,885,212
TOTAL EXPENDITURES	244,584	179,387	507,694	406,256	578,931	62,409	5,953	1,985,213
WRITE OFF OF MINERAL PROPERTY INTERESTS	-	-	-	-	-	-	-	-
RECOVERY OF COSTS	-	-	-	-	(359,570)	-	-	(359,570)
OPTION PAYMENTS	-	-	-	-	(56,950)	-	-	(56,950)
CANCELLATION PYMNTS	-	-	-	-	(64,163)	-	-	(64,163)
BALANCE, AUG. 31, 2006	**$ 244,584**	**$ 179,387**	**$ 507,694**	**$406,256**	**$ 98,248**	**$ 62,409**	**$5,953**	**$ 1,504,531**

The Company completed and SEDAR filed technical NI 43-101 reports for JC Tin Project in the Yukon, Sleitat Mountain Tin-Silver-Tungsten property in Alaska, and the Hammond Reef Gold property in Ontario.

Selected Annual Information

The following table sets forth selected annual information from the audited financial statements for the years ended August 31, 2006, 2005 and 2004:

Year ended		2006		2005		2004
Loss	$	(336,864) [1]	$	(571,551) [3]	$	(1,538,037) [4]
Net loss per share	$	(0.02)	$	(0.03)	$	(0.09)
Total assets	$	5,322,284[2]	$	423,785	$	1,022,716
Long term debt		Nil		Nil		Nil
Cash dividends paid		Nil		Nil		Nil

(2) includes $182,473 in stock-based compensation.
(3) increase in total assets is primarily as a result of proceeds of $4,457,266 from the issue of shares less $138,652 of share issuance costs.
(4) includes $237,610 in write down of mineral interests.
(5) includes $ 1,010,094 in write down of mineral interests.

Results of Operations

Being in the exploration stage the Company does not have revenues from operations and, except for income from its cash and cash equivalents, relies on equity funding for its continuing financial liquidity.

Cash flows for the year ended August 31, 2006

In fiscal 2006, the Company raised $4,248,325 (2005 - nil) by issuing capital stock in the Company in non-brokered private placement financings, $187,942 from the exercise of warrants and stock options and an old outstanding share receivable of $21,000 for total cash proceeds of $4,457,266. There were share issue costs of $138,652 (2005 - nil) paid out on portions of the July/August financing. Cash expenditures on acquisition and exploration of mineral resource properties were $1,256,633 (2005 - $25,361). All transactions resulted in an increase in cash position of $3,217,850 (a decrease in 2005 - $266,155) for a total cash position of $3,540,110 (2005- $322,260).

Loss for the year ended August 31, 2006

In fiscal 2006, the Company reported a loss of $336,864 (2005 – $571,551). The two major costs in general and administrative expenses are management and consulting fees of $109,342 (2005 - $30,000) and stock-based compensation of $182,473 (2005 - $nil). Stock-based compensation is a non-cash item that attempts to put a dollar value on the benefit being given on the granting of stock options. It is based on statistical models, taking into account the volatility of the stock, the risk free rate and the weighted average life of the options. Where the market is highly volatile and not very liquid the results many not be very meaningful. The Company writes off its mineral property costs and deferred exploration at such time as it either abandons the property or determines that there has been a permanent impairment in its value. There were no mineral property write offs in fiscal 2006 (2005 - $237,610).

Capital property expenditures for year ended August 31, 2006

During fiscal 2006, there was $1,885,212 (2005 - $25,631) recorded in mineral property acquisition and exploration costs.

Cash flows for the fourth quarter

During the quarter ended August 31, 2006, the Company received proceeds of $3,780,828 by issuing capital stock in the Company in a non-brokered private placement financing and from the exercise of warrants and stock options. There were share issue costs of $138,652 paid out on portions of the financing. Cash expenditures on acquisition and exploration of mineral resource properties were $976,100. All transactions resulted in an increase in cash position of $2,900,403 for a total cash position of $3,540,110.

Loss for the fourth quarter

During the quarter ended August 31, 2006, the Company reported losses of $70,114, of which the significant components were stock-based compensation of $34,091and management and consulting fees of $33,788.

Capital property expenditures for the fourth quarter

During the quarter ended August 31, 2006, there was $1,018,887 recorded in acquisition and exploration of mineral properties.

Liquidity and capital resources

The Company relies on the capital markets to generate funds to finance operations and explorations.

When acquiring mineral properties the Company will at times issue its own stock to the vendor of the property as partial or full consideration for the property.

At August 31, 2006 the Company had no long-term debt or other commitments and had working capital of $3,181,870.

Liquidity and capital resources (cont'd…)

On December 1, 2006, the Company announced a non-brokered private placement to raise up to $5 million by issuing $3 million in flow through shares at $0.70 per share and $2 million in units at $0.80 per unit; each unit consisting of one common share and one-half of one share purchase warrant. Each whole warrant is exercisable at $0.95 for a period of two years from the closing date.

The number of issued common shares increased during the year by 9,277,791 (2005 - nil) to a total of 27,939,266 (2005 – 18,661,475) outstanding common shares at August 31, 2006. Subsequent to the year-end, 642,750 common shares were issued for exercise of warrants for cash proceeds of $192,825 to bring the total outstanding common shares to 28,582,016.

At August 31, 2006, the amount of flow-through proceeds remaining to be expended on flow-through eligible expenditures is $2,210,250.

Summary of Quarterly Results

The following tables report selected financial information of the Company for the past eight quarters.

Quarter ended		31-Aug-06		31-May-06		28-Feb-06		30-Nov-05
Capitalized property acquisition and exploration costs	$	1,018,887	$	329,567[3]	$	(20,608)[5]	$	76,583
Revenue[1]		-		-		-		-
Loss for the quarter	$	(70,114)[2]	$	(116,400)[4]	$	(14,030)[6]	$	(136,320)[7]
Loss per share	$	(0.00)	$	(0.00)	$	(0.00)	$	(0.01)

Quarter ended		31-Aug-05		31-May-05		28-Feb-05		30-Nov-04
Capitalized property acquisition and exploration costs	$	(265,559)[8]	$	-	$	16,922	$	(63,611)
Revenue[1]		-		-		-		-
Loss for the quarter	$	(198,874)[9]	$	(76,215)	$	(118,990)	$	(177,472)
Loss per share	$	(0.01)	$	(0.00)	$	(0.00)	$	(0.01)

1. being in the exploration stage, the company does not have revenues from operations.
2. includes $ 34,091 stock-based compensation
3. includes $64,163 in forfeited payments towards exploration expenditures by Placer (now Barrick Gold Corporation) subsequent to the decision by all parties to terminate the option agreement on the Santa Clara property in El Salvador.
4. includes $ 64,209 stock-based compensation.
5. includes $56,950 CAD equivalent of $50,000 US, option payment from Placer for the Santa Clara property.
6. includes $ 60,839 future income tax recovery from renounced expenditures flowed through to investors.
7. includes $ 84,172 stock-based compensation.
8. includes $ 237,610 in mineral property write-offs.
9. includes $ 74,640 stock based compensation.

Transactions with related parties

In mid October 2005, new management and directors were installed. Details of the corporate restructuring were set out in a news release dated October 18, 2005.

Geological and management consulting fees were charged to the Company by various directors and officers invoicing a net total of $109,342 for the year and include $52,500 paid to the President at a rate of $5,000 a month.

Transactions with related parties (cont'd…)

Property research fees and project costs of $36,171 (2005 - $257,516) were paid to various past and present directors, (all of whom are professional geologists).

Rent and administration services are provided by a company controlled by a common officer on a shared cost basis among several companies. The Company's portion of costs was $15,700 in fiscal 2006 (2005 - $10,500).

In fiscal 2004, a past director participated in one of the Company's private placements for 100,000 shares. At August 31, 2005 a portion of the amount due for these shares ($21,000) was still owing to the Company. During fiscal 2006, the Company collected the share subscription receivable.

Risk Factors

Success in the mining exploration business is measured by a company's ability to raise funds, secure properties of merit and, ideally, identify deposits on one of its properties. The attainment of these objectives is influenced by many factors not necessarily within management's control.

Other risk factors include political risks, the establishment of undisputed title to mineral properties, environmental concerns and obtaining governmental permits and licenses when required.

The resource industry is intensely competitive in all of its phases, and the Company competes with many companies possessing far greater financial resources and technical facilities than itself. Competition could adversely affect the Company's ability to acquire, explore and develop properties in the future.

Certain of the directors and officers of the Company also serve as directors and/or officers of other companies involved in natural resource exploration and development and consequently there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by such directors and officers involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with respect to the Company and such other companies. In addition, such directors and officers are required to declare and refrain from voting on any matter in which such directors and officers may have a conflict of interest.

The ability to raise funds is in part dependent on the state of the junior resource stock market, which in turn is dependent on the economic climate, metal prices and perceptions as to which way the market is headed.

Forward-looking statements involve inherent risks and uncertainties. The Company's actual results may differ significantly from those anticipated in the forward-looking statements and readers are cautioned not to place undue reliance on these forward-looking statements. The Company undertakes no obligation to publicly release the results of any revisions to forward-looking statements that may be made to reflect events or circumstances after the above-stated date or to reflect the occurrence of unanticipated events.

Disclosure Controls and Procedures

The Board of Directors of the Company has adopted a formal Corporate Disclosure Policy relating to disclosure controls and procedures. This Policy extends to the conduct of directors, officers, spokespersons and other employees and agents of the Company, and all methods that the Company uses to communicate to the public. The disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to management of the Company, including the Chief Executive Officer and the Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure.

Management has evaluated the effectiveness of the Company's disclosure controls and procedures, and believes that they have been effective in providing reasonable assurance that information required to be disclosed in the Company's annual filings and interim filings (as such terms are defined under Multilateral Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings)* and other reports field or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time periods specified by those laws and that material information is accumulated and communicated to management of the Company, including the Chief Executive Officer and the Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

All relevant information related to the Company is filed electronically at www.sedar.com.

Other Management's Discussion and Analysis

Capital Stock fully diluted as at December 6, 2006:

Authorized:
Unlimited common shares without par value

Issued:
28,582,016 common shares

Warrants:

Number	Exercise Price	Date of Expiry
10,000	$0.40 in year 2	October 7, 2007
1,262,438	$0.80	July 21, 2008
98,560	$0.80	July 21, 2007
191,000	$0.80	August 18, 2008
54,040	$0.80	August 18, 2007
1,616,038		

Stock options:

Number	Exercise Price	Date of Expiry
300,000	$0.30	June 11, 2007
203,333	$0.20	June 11, 2008
150,000	$0.30	August 3, 2009
800,000	$0.25	October 18, 2010
200,000	$0.50	March 20, 2011
1,130,000	$0.70	September 06, 2011
2,783,333		

Fully diluted:
32,981,387

Other Information

List of Directors and Officers

Directors
Thomas Hasek, P. Eng.; Vancouver, BC
J. Rupert Allan, P. Geol.; Vancouver, BC
Ronald K. Netolitzky, M. Sc.; Victoria, BC
Lawrence Nagy, P. Geo.; Vancouver, BC
Carl Hering, PhD.; Brandon, Manitoba

Officers
Thomas Hasek, President & CEO
Robert V. Matthews, CFO
Karen A. Allan, CMA, Corporate Secretary

Auditors:
Smythe Ratcliffe

Company solicitors:
DuMoulin & Black

Company banker:
HSBC Bank of Canada

CORPORATE DATA

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Vancouver, British Columbia V6B 1N2

Directors and Officers
Thomas Hasek – President, Chief Executive Officer & Director
Carl Hering – Director
Lawrence J. Nagy – Director
Ronald K. Netolitzky, Director
Rupert J. Allan – Director
Robert V. Matthews – Chief Financial Officer
Karen Allan – Corporate Treasurer

Registrar and Transfer Agent
Pacific Corporate Trust Company
3rd Floor, 510 Burrard Street
Vancouver, British Columbia V6C 3B9

Legal Counsel
Dumoulin Black
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Auditor
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Listing
TSX Venture Exchange
Symbol "BBR"